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PRELUDE TO NEW DIRECTIONS IN UNITED STATES-VIETNAM RELATIONS: THE 2000 BILATERAL TRADE AGREEMENT

JOINT HEARING

BEFORE THE

SUBCOMMITTEES ON
ASIA AND THE PACIFIC

AND

INTERNATIONAL ECONOMIC POLICY AND TRADE

OF THE

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PRELUDE TO NEW DIRECTIONS IN UNITED STATES-VIETNAM RELATIONS: THE 2000 BILATERAL TRADE AGREEMENT

TUESDAY, SEPTEMBER 19, 2000

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON ASIA AND THE PACIFIC, JOINT WITH THE SUBCOMMITTEE ON INTERNATIONAL ECONOMIC POLICY AND TRADE, COMMITTEE ON INTERNATIONAL RELATIONS,

Washington, DC.

The Subcommittees met, pursuant to notice, at 1:36 p.m., in room 2172, Rayburn House Office Building, Hon. Doug Bereuter (Chairman of the Subcommittee on Asia and the Pacific) presiding.

Mr. BEREUTER. The joint Subcommittee hearing will come to order. The Subcommittee on Asia and the Pacific and the Subcommittee on International Economic Policy and Trade meet jointly today to examine the current and future state of United States-Vietnam relations in the context of a new bilateral trade agreement [BTA] signed by Washington and Hanoi on July 13, 2000.

After taking nearly 5 years of frustrating and difficult negotiations—and the difficulties are on the other side—I think the new bilateral trade agreement represents an important milestone in the process of normalizing incrementally our bilateral political, economic, humanitarian, and consular relationships with Vietnam.

Focusing for a moment on the economic relationship, this evolving process began in 1994 with the lifting of the Vietnam War-era trade embargo and the establishment of Ambassadorial-level diplomatic relations the following year. Further incremental steps such as allowing for the Overseas Private Investment Corporation [OPIC] and the U.S. Export-Import Bank to support American businesses exporting to or operating in Vietnam were taken as the President granted Vietnam a waiver from the requirements of the Jackson-Vanik amendment. The Congress, in general, has supported this waiver by increasingly large margins each of the last 3 years.

The new BTA represents another step which will be followed by President Clinton's trip to Vietnam following the APEC summit in November. I believe that this incremental policy and the new BTA is in America's own short-term and long-term national interests. It is a flexible policy allowing us to take advantage of new opportunities such as those in the trade arena now available with the BTA, while at the same time preserving our leverage to help influence change in the most problematic facets of our relationship, such as human rights. Indeed, I believe our incremental approach also

builds on Vietnam's own policy of political and economic reintegration into the world.

The Subcommittee on Asia and the Pacific has held a number of hearings on Vietnam in recent years, conducting both broad reviews of the general direction of United States-Vietnam bilateral relations and more defined examinations of specific issues such as the fullest possible accounting of American POW–MIAs, the plight of Vietnamese boat people and the failure of Vietnam to meet its human rights obligations. Today's hearing is the first that focuses primarily on bilateral economic relations; however, it certainly does not do so at the exclusion of these other important issues. Clearly United States-Vietnamese trade relations cannot be viewed as if in a vacuum.

At this time, the BTA has yet to be transmitted to Congress. I certainly welcome any insights our U.S. Trade Representative Ambassador Barshefsky may have on when we should expect to see that transmittal. With adjournment hopefully just a few weeks away, there is not time this year for Congress to consider and approve the BTA, a prerequisite for the agreement's actual implementation. Thus I envision today's hearing as an early opportunity to begin the process of congressional consideration of such a BTA.

Before Congress will approve the significant step forward in relations, there will be many questions for the Administration to answer satisfactorily. For example, is the BTA a prelude to new directions in United States-Vietnam relations? What actual benefits can the United States generally and the American business interests specifically expect from the BTA? Does approval of the BTA enhance or serve to postpone needed progress in other noneconomic concerns such as POW–MIA accounting, human rights, emigration, and political reforms?

To help our two Subcommittees answer these and many other important questions, including those pertaining to the President's Vietnam trip, we are very fortunate to have with us today a truly outstanding panel of high-level and distinguished Administration witnesses. The first panel will consist of Ambassador Charlene Barshefsky, the U.S. Trade Representative. While the BTA is the result of hard work from many different agencies, of course, it is the USTR that has provided the yeoman's service in the negotiations with the Vietnamese as was the case with the bilateral market access agreement for China's accession to the WTO.

Ambassador Barshefsky, it certainly was a great pleasure to work with you on the China PNTR issue, and I understand that in a hour or 2, the Senate will be voting on final passage of H.R. 4444 as passed by the House, and, in my judgment, thankfully unamended by the Senate. In that regard, I appreciate that you have responsibilities associated with the vote and are limited in the time that you can spend with us. That is why you constitute the first panel. And I will introduce the other two distinguished witnesses shortly after your testimony and questions from the panel. But in order to conserve this time before you must leave, I want to come back to that later.

And I would like now to turn to the Chairwoman of the Subcommittee on International Economic Policy and Trade, the very distinguished gentlewoman from Florida, Representative Ileana

Ros-Lehtinen, for any introductory comments that she may have, and then I will turn to the distinguished Ranking Members of the two Subcommittees. I turn to the gentlelady for such time as she may consume.

[The prepared statement of Mr. Bereuter appears in the appendix.]

Ms. ROS-LEHTINEN. I thank my colleague in Nebraska, my good friend Mr. Bereuter, for the opportunity to co-chair this hearing with him. I welcome the opportunity to listen to some of our witnesses. And while the witnesses appearing before us today may be of like mind in their approach to United States-Vietnam relations, there are vast differences among the Chairs of the two Subcommittees regarding the viability and wisdom of trading with a Communist regime such as Vietnam.

In fact, some of us view Vietnam as a classic example of what happens when economic engagement begins without first requiring fundamental, concrete changes in government and civil society. The result? A sprinkling of limited economic reforms to mask the strengthening of Communist totalitarian regimes.

In Vietnam such entrenchment was clearly demonstrated in 1999 with the passage of a resolution which stated that, ''Party committees should strictly criticize and punish those party members who, after being assisted by the party organization, keep disseminating their own opinion or distributing documents contrary to the platform, statutes or resolutions of the party.''

In August of this year, a report for the Vietnamese Communist Party's Congress was drafted making reference to the so-called process of reform started 15 years ago. However, that same document reiterated that, ''During the process of reform, it is essential to persist with the goal of socialism based on Marxist-Leninism and Ho Chi Minh ideology.'' This coincides with the April 1992 Vietnamese Constitution reaffirming the role of the Communist Party as the leading force of the state and society.

Article 4 of the Vietnamese Constitution enables the security apparatus to enforce an extralegal administrative decree against any dissidents under the pretext of ''endangering national security.''

The Vietnamese Government continues to systematically violate the human rights, civil liberties, and religious freedom of its people. It utilizes a maze of laws, decrees, and regulations to prohibit religious worship and to justify the arbitrary arrest, detention, harassment, physical abuse, and censorship of those seeking to exert their religious liberty and the right to free association.

The Vietnamese regime is among the ''totalitarian or authoritarian regimes'' specifically rebuked by the State Department for its religious restrictions. The intense governmental suppression and control came under scrutiny and harsh criticism when the Annual Report on International Religious Freedom was released earlier this month. However, these denunciations fell on deaf ears as the Vietnamese Government had already been rewarded in August with the signing of the bilateral trade agreement.

Despite the trade agreement, the Supreme Patriarch of the Unified Church of Vietnam is still being detained without trial under pagoda arrest. Members of the Hoa Hoa sect of Buddhism have been subjected to police surveillance and remain in jail. Members

of the Cao Dai religion have had their church property confiscated. Protestants are still being suppressed through police raids, surveillance, and negative propaganda.

Even foreign investors in June of this year questioned the ''fanfare and hype'' of communist Vietnam's reform process and issued complaints about overregulation, inconsistent application of laws, discriminatory pricing, and government bureaucracy. Timothy Reinhold, head of the legal working group for the private sector forum at which these concerns were raised, said, ''It prompts one to ask the question whether those currently directing policy really want foreign participation in the development of the country.'' Further, newspaper reports cited Vietnam's Minister of Planning and Investment as ''generally unsympathetic to investor complaints.''

Vietnam is still one of the most repressive countries in the world, which, in turn, keeps it as one of the poorest with an average annual per capita income of $330.

The most recent Index of Economic Freedom published by Heritage Foundation lists Vietnam 148, out of 161 nations, in lack of economic freedom. This marks a decrease from the 1995 rating. That is, Vietnam's economy is considered to be less open today than it was 5 years ago.

Despite these realities, the single most powerful reason for demanding much more from Vietnam before affording it the enviable position of United States trading partner and preferential trade status, is the yet unresolved issue of American POWs and MIAs.

During my investigation into the torture of American POWs in Vietnam by Cuban agents at a camp known as ''The Zoo,'' I asked Ambassador Pete Peterson and other U.S. Government officials to secure specific information and materials from the Vietnamese authorities. The response from the Vietnamese clearly depicts the unreliable, duplicitous nature of Vietnam's Communist regime. The statement read: ''The evading war of the Americans in Vietnam had caused a great damage in human lives and property to the people of Vietnam. However, with a policy of clemency and humanity, Vietnam treated the American POWs in due form. There were absolutely no cases in which American POWs in Vietnam were tortured.''

Is this the type of regime the United States should reward? Is this a reliable trading partner? An ally? I hope the witnesses who will testify today will address these issues along with the other concerns raised by my colleagues on the Subcommittees, and I thank Mr. Bereuter for the opportunity.

[The prepared statement of Ms. Ros-Lehtinen appears in the appendix.]

Mr. BEREUTER. I thank the Chairwoman, and I turn to the distinguished gentleman from California, the Ranking Member of the Asia and Pacific Subcommittee, for such time as he may consume in his opening statement.

Mr. LANTOS. Thank you very much, Mr. Chairman. I am anxious to hear Ambassador Barshefsky, so I will be extremely brief.

Vietnam represents an obviously unique case in our foreign relations and in our trade relations. This is really an issue where many of us have a great deal of ambivalence. On the one hand, I fully share the views of my good friend from Florida, who outlined in

great detail the human rights violations which are persisting in Vietnam and for which there is no excuse. Yet I think it would be a mistake not to recognize that the United States has a major responsibility in normalizing relations with Vietnam.

I fully share the views of my two distinguished colleagues in the other body, John Kerry and John McCain, who have supported the normalization of relations, and who, I believe, are in support of this legislation, as is our good friend and former colleague with considerable Vietnam experience, Ambassador Pete Peterson.

I commend President Clinton for his forthcoming plan to visit Vietnam, and I look forward to Ambassador Barshefsky's testimony.

Mr. BEREUTER. In order to save time, we are going to move directly to the statement by Ambassador Barshefsky. Your entire written statement will be made a part of the record. You may proceed as you wish. We look to at least a small opportunity to have questions before you have to leave. But we will have your full statement at this point.

Mr. ROHRABACHER. Mr. Chairman, I ask unanimous consent to insert my opening statement for the record as well as the inserts of several publication articles that I had for the opening statement.

Mr. BEREUTER. Certainly, without objection, we will extend that to all Members at this point.

[The prepared statement and articles of Mr. Rohrabacher appear in the appendix.]

Ambassador Barshefsky.

STATEMENT OF THE HON. CHARLENE BARSHEFSKY, U.S. TRADE REPRESENTATIVE

Ambassador BARSHEFSKY. Thank you, Mr. Chairman, Madam Chairman, Members of the Subcommittees. Thank you very much for inviting me here today to testify on our bilateral commercial agreement with Vietnam.

The landmark trade agreement entered with Vietnam in July of this year is most fundamentally an economic agreement which opens markets to American goods, services and agriculture and promotes economic reform and great opening to the world in Vietnam.

It also represents a decisive stage in the process of reconciliation with Vietnam. With the approval of this agreement, we begin a fully normalized economic and trade relationship, capping a series of decisions made over the past decade which have been difficult and emotional at times in both countries, but which have served Americans and Vietnamese together.

Throughout this period, as the Clinton Administration has approached America's relationship with Indochina, we have set as our first priority a full accounting for American service personnel listed as missing in action or who were POWs. As Ambassador Pete Peterson has noted, this work is proceeding with full cooperation with Vietnam through joint field activities and review of material evidence. With this continuing, we have also worked toward normalized trade between the United States and the three nations of Indochina, beginning with the end of the trade embargoes and continuing through the conclusion of formal bilateral trade agreements

with Cambodia, Laos, and now Vietnam. This we believe serves America's broad interests in the Pacific.

The integration of Indochina into ASEAN and the larger Pacific economy contributes to the cohesion and economic health of Southeast Asia, which is in turn of great importance to peace and stability in Asia more generally. Our developing trade relationship with Vietnam helps us achieve this basic goal as it also creates substantial new opportunities for American businesses, farmers, workers, and for Vietnamese as well.

Our trade and investment relationship with Vietnam today, however, remains hampered by two major features. First, as a country covered by the Jackson-Vanik amendment, Vietnam remains only one of six in the world that lacks NTR status. As a result, Vietnamese products face tariffs approximately 10 times higher than those of virtually all other trading partners.

Second, economic reform within Vietnam has progressed slowly, particularly in recent years, owing to the Asian financial crisis, weakening the economy's overall potential and creating obstacles for American exporters.

The United States-Vietnam trade agreement addresses both of these issues. It marks a major shift of economic policy direction for Vietnam, setting a course for greater openness to the outside world, promoting internal reform and market principles, transparency in law and regulatory policy, and helping Vietnam to integrate itself into the Pacific regional economy and build a foundation for future entry into the World Trade Organization.

The agreement itself includes six chapters: Goods, including agricultural goods; intellectual property; services; investment; business facilitation; and transparency. To highlight a few specifics, in goods trade Vietnam will cut tariffs by a third to a half across a wide range of high-tech goods, farm products, and industrial goods. Vietnam will also abolish nontariff restrictions such as quotas, eliminate discretionary import licensing, and, for the first time, guaranteed trading rights for both Americans and Vietnamese over a phased-in schedule.

With respect to intellectual property, Vietnam will implement WTO-level standards of protection within 1 year for patents and trademarks and within 18 months for copyright and trade secrets. Vietnam will also take certain additional steps in newer areas such as the protection of satellite signals.

As to services, Vietnam will liberalize a broad range of service sectors opening for the first time opportunity for American firms to compete in basic telecommunications services, value-added telecom such as Internet services, banking, insurance, and other financial services; the professions including legal services, architecture, engineering and others; and a range of other sectors from audiovisual to health, distribution to private education and more.

With respect to investment, Vietnam will make commitments that include the phasing out of such measures as local content and export performance requirements; the abolition of almost all investment screening, discriminatory pricing; and protection against expropriation.

As to business facilitation, Vietnam will guarantee the right to conduct routine but essential practices such as setting up offices, advertising, and so on.

Finally, Vietnam will make an extensive set of commitments to transparency. In sharp contrast to past practice, Vietnam will reform its administrative policies. It will now provide advance notice of all laws, regulations and administrative procedures relating to any matter covered by the agreement. It will now publish all laws and regulations and inform the public of the effective dates and government contact points, and Vietnam will establish appeals processes.

All together, the agreement addresses many of the principal concerns of Americans seeking to export to or invest in Vietnam and spur a deepening acceleration of economic reform within the Vietnamese economy. Over time that should help create sustainable growth and greater opportunity for the Vietnamese people.

The agreement is an economic achievement that will have shared and substantial benefits. It will also have beneficial political consequences, contributing to the development of a more unified and stable Southeast Asia as it integrates Vietnam once again into the broader world of Asian-Pacific trade and investment. And it is an agreement with historic meaning for the United States. When Congress approves this agreement with a granting of annual normal trade relations, we will take the critical step in developing a relationship with Vietnam that looks to the future rather than the past, and we will do so in a fashion in which I believe everyone who remembers the era of the Vietnam War can take pride, both cementing peace and reconciliation between the two governments and advancing reform and freedom for the Vietnamese people.

In that regard, I would point to a recent statement made by Vietnam's leading independent—leading and most visible dissenter Dr. Que, and he said, " Opening the country economically will increase the people's power to make their own economic decisions. Integrating into the global economy and increasing contact with developing countries will increase the people's awareness of what it means to be modern. The sooner the trade agreement is ratified and put into effect, the better."

We look forward to working with you, Mr. Chairman, Members of the Subcommittees, to developing a consensus for the best way to secure rapid approval of the agreement. Thank you.

[The prepared statement of Ambassador Barshefsky appears in the appendix.]

Mr. BEREUTER. Thank you very much.

We have only 15 minutes remaining, and I want to hear from all Members. I would ask unanimous consent that the normal 5-minute rule be changed to 3 minutes so that all Members may be heard. Is there objection? Without objection, that will be the order.

I have one question that relates to the difference between the 1999 agreement in principle and the final agreement July 13, 2000, Ambassador. I will submit other questions in writing in order to save time.

Ambassador BARSHEFSKY. Fine, thank you.

[The additional questions appear in the appendix.]

Mr. BEREUTER. The gentleman from California, Mr. Lantos, is recognized under a 3-minute rule.

Mr. LANTOS. I was listening very carefully to your usual concise and impressive presentation, but I did not hear any response on your part to Ms. Ros-Lehtinen's catalog of human rights abuses. Now, we have had a long-standing dialogue of the deaf ones, "dialogue des sourdes" as the French call it, between the Administration and those of us who feel that human rights criteria should receive a far more important level of consideration than, in fact, they have.

Would you mind, Ambassador Barshefsky, dealing with the issues raised by my friend from Florida? Because while some of us are conscious of the fact that we have a very heavy responsibility vis-a-vis Vietnam for obvious historic reasons, we will not stand by as the human rights abuses are swept under the rug and the truly outrageous persecution of religious groups and others continues.

Ambassador BARSHEFSKY. I think you will hear more about this from the panel that follows me, but if I could make a few points.

I do not disagree with the characterizations made by the Chairwoman with respect to the Vietnamese regime or with respect to substantial concerns about human rights, religious freedom and the like in Vietnam. These are quite amply documented in the State Department human rights report and in other materials, including from the United Nations. And I certainly have no basis to disagree with them, nor would I attempt to do so.

The question presented is how do we best change the mentality among the governing body in Vietnam as to the expected conduct with respect to human rights as to international norms and the vast importance of Vietnam meeting those norms with respect to human rights, worker rights, and with respect to issues surrounding human dignity.

The quote I read to you from Dr. Que speaks to one approach to that question, and it is the approach generally that the Administration has followed in the case of China and now wishes to follow in the case of Vietnam.

Mr. LANTOS. If I may stop you, since you raised China, which I was trying hard to avoid——

Ambassador BARSHEFSKY. I know.

Mr. LANTOS. The Administration policy has been a total failure with respect to China on the human rights issue. As a matter of fact, the Administration's own documents, both the religious document, the human rights document, underscores quite accurately the deterioration of the human rights situation in China.

So if what we can look forward to vis-a-vis Vietnam is a repetition of the China pattern, that would raise very serious questions in the minds of many of us with respect to our ability to support this legislation.

Ambassador BARSHEFSKY. If I may say in connection with both countries, because I think it is probably hard to avoid the comparisons, I would prefer to answer it straight on. The question is how one builds internal momentum and a larger internal dynamic for reform in a country. We know from experience it is very difficult to change countries from the outside if there is not inside the country a critical mass of reformers in order to speed the process, in-

deed to generate the process, of reform. Integration into the global community is the way in which this Administration has decided to approach that problem.

It comports in the case of China with the views of such respected dissidents as Martin Lee and Bao Tung and Dai Ching and any one of a number on the ground in China who believe that integration into the global community will further the process of internal reform, such as Dr. Que has indicated similar views in Vietnam. We believe that this is really the best way to approach the problem. Isolation, whether of China or Vietnam, tends to increase repression, tends to decrease the accountability——

Mr. LANTOS. I know my time is up, but since you have used the world "isolationism," I have to respond to that. Those of us who disagree with the Administration's policy are not recommending either isolating China or isolating Vietnam, but of using our enormous leverage to improve the human rights condition.

Mr. BEREUTER. I thank the gentleman. And I thank the gentlewoman, the Ambassador, for her response. This is of major interest to everyone of us, so if you wish to extend your remarks in written form, it certainly would be most welcome.

Ambassador BARSHEFSKY. Thank you very much.

Mr. BEREUTER. I would like to call on the gentleman from California, if he has questions under the 3-minute rule.

Mr. ROHRABACHER. Yes. I associate myself with Mr. Lantos, especially with his last observation, that with this Administration every time that we insist that there be some consideration of human rights given to various trade issues with dictatorships and tyrants, we always are thrown back with it is either isolation or, you know, some sort of engagement that does not include human rights. I resent that, and I think that Mr. Lantos put that very well..

Under the agreement that you are proposing today, or that we have negotiated with Vietnam, will the tariffs be the same on our products going in as their products coming here?

Ambassador BARSHEFSKY. No. Our tariffs are among the world's lowest, so our tariffs will be lower than their tariffs.

Mr. ROHRABACHER. Substantially lower than their tariffs?

Ambassador BARSHEFSKY. Likely so, but that is the case with respect to our relations with much of Europe as well.

Mr. ROHRABACHER. OK. You are saying with this dictatorship, we are going to really influence them to go in the right direction by letting them ship in their goods to our country with a dramatically lower tariff than they are permitting our goods to flow into their country. I think people look at us as being rather stupid for making such an agreement.

Ambassador BARSHEFSKY. If I can make a comment on the question of human rights, we have had a substantial human rights dialogue with Vietnam for the past 8 years.

Mr. ROHRABACHER. Ma'am, I can't let you go on with my time. I only have 3 minutes. You want to put a statement about that in the record, that is fine.

Let me ask a little bit about will it still be illegal under the new agreement for anyone in the Vietnamese Government to release economic information? That now is a criminal offense in Vietnam.

Ambassador BARSHEFSKY. That I would have to get back to you on. I don't know the answer.

Answer: We are not aware of a statute in Vietnam that makes it a criminal offense to release economic information. Regardless, this agreement addresses this issue by obligating Vietnam to "provide nationals and companies of the other Party (i.e., the United States) with access to data on the national economy and individual sectors, including information on foreign trade." (Chapter VI—Transparency Related Provisions and Right of Appeal, Article 2)

Mr. ROHRABACHER. Does this agreement include—will it result in the fact—in some type of taxpayer subsidies in the form of loan guarantees through Export-Import Bank or OPIC that would be made available to this Communist dictatorship, to businessmen who are building factories in Vietnam?

Ambassador BARSHEFSKY. The President has waived Jackson-Vanik, which entitles Vietnam to OPIC and Eximbank financing, and the Congress has not overturned that decision.

Mr. ROHRABACHER. Right. And this agreement then sort of puts that in cement? Make that law?

Ambassador BARSHEFSKY. No, this agreement does not—well, do anything until Congress approves it.

Mr. ROHRABACHER. Correct. But it will make that a part of the law permanently.

Ambassador BARSHEFSKY. It will make sure that those remain available.

Mr. ROHRABACHER. OK. Let's see. We will end up with a Communist dictatorship and give them the right to export into our country at lower tariffs than they will permit our products to go into their country, plus we are going to subsidize American businessmen to set up factories in their country with taxpayer money. I don't think that the Communist dictators are going to miss the message about that at all. They are probably going to think that we are a bunch of saps, and I do, too.

Mr. BEREUTER. The time of the gentleman has expired.

The gentleman from Florida Mr. Davis is recognized.

Mr. DAVIS. Thank you, Mr. Chairman, and welcome, Ambassador Barshefsky. Could you elaborate a little bit on what you see as the condition of the rule of law today in Vietnam and how you see that being influenced by this trade agreement once it is ultimately approved by Congress?

Ambassador BARSHEFSKY. The condition of the rule of law is very weak; the arbitrary exercise of government power, unfettered bureaucratic discretion, a nontransparent trade and economic regime, an economic regime, indeed, which is in need of substantial restructuring.

Under this agreement, Vietnam will have to make transparent a number of things it has never made transparent before; for example, laws and regulations, advance notice of laws, the uniform application of the trade regime. These things are very basic to us, but do not exist today in Vietnam.

We need to build legal institutions in Vietnam. This is a very long-term prospect. And we need to expect Vietnam to adhere to the kinds of commitments it has made with respect to transparency and the initial rule of law issues to which it has committed in the agreement.

This will require substantial technical assistance. We are working now with USAID, which will assist Vietnam in technical terms in implementing the commitments including with respect to transparency and the rule of law-related issues. But the creation of a rule of law in Vietnam is going to take a number of years.

Mr. DAVIS. Could you talk about what you think will be the major issues we need to be bird-dogging as we oversee implementation of the trade agreement?

Ambassador BARSHEFSKY. I think we will have to pay close attention to the entirety of the agreement. Vietnam has never entered into an agreement of this comprehensive nature before with any country in the world, Communist or non-Communist. This agreement will be new to them. Of course, the NTR that would be granted by Congress when it approves the agreement is annual only, and this will give the Congress the ability to review Vietnam's implementation step by step. The agreement itself is also subject to renewal after 3 years. That is to say, the agreement expires in 3 years until it is affirmatively renewed. That will also provide us very positive opportunities to assess implementation.

Mr. DAVIS. OK. Thank you.

Thank you, Mr. Chairman.

Ambassador BARSHEFSKY. Thank you.

Mr. BEREUTER. Thank you very much, Ambassador. I appreciate your remarks about the two latter points.

Chairwoman Ros-Lehtinen is waiving temporarily her time for questioning, and we will move to Mr. Royce, the gentleman from California.

Mr. ROYCE. Thank you, Mr. Chairman. I want to thank you, Mr. Chairman, and I want to thank our witnesses for this critical hearing.

Ambassador Barshefsky, before getting to the agreement with Vietnam, I would like to briefly discuss the Africa trade bill, because within the next few weeks there are some decisions to be made. The bill is now law, and, of course, it means a great deal to Africa. And, Ambassador, this legislation was written in a way that gives trade benefits to those African countries that are reforming their economies to be good trade investment partners with us.

The Administration is charged, in consultation with Congress, with determining which countries are making this progress, and that is the same type of progress we are pushing for in Vietnam. And I have written you expressing my concerns, and now I would like to raise one country in particular, and that is Zimbabwe.

Many of us have sadly followed Zimbabwe's implosion as the government of President Mugabe has made war on its economy, launching a systematic attack on the property rights of a wide array of Zimbabweans. And today in the Washington Times there is an account by a commercial farmer who is leaving her land, having seen it looted and illegally taken over. And she writes, ''Commercial agriculture in Zimbabwe seems to be drawing to a close.'' This is very true. The farms are all closing. ''And this will be devastating to the country including its food security.'' Maybe our influence is limited, but I know that now, now is certainly not the time to be validating this economic destruction by qualifying the

country for the African Growth and Opportunity Act. And that is more of a statement than a question, but I welcome any response.

My other question concerns the trade agreement with Vietnam that we are looking at, and I wanted to ask there, what areas do you expect Hanoi to have the most difficulty with politically and logistically in implementing? Do you expect to see trouble from Hanoi in some of the implementation process?

Thank you, Ambassador.

Ambassador BARSHEFSKY. Congressman, I do not have any specific comment to make about Zimbabwe. The interagency team on AGOA eligibility is meeting even as we speak. Final decisions on countries have not yet been made. And, of course, we merely provide the President with recommendations, and ultimately he will make decisions as to eligibility.

Certainly I am pleased to directly look into the question of Zimbabwe and get back to you on that.

Mr. ROYCE. I appreciate that, because my concern was that it would be in consultation with Congress, and I very much appreciate you doing so.

Ambassador BARSHEFSKY. I understand that. Absolutely.

[The information was not provided.]

With respect to difficulties Hanoi may have, as I said to Congressman Davis, I think we are going to have to watch implementation overall very, very carefully. I think it is to be expected, particularly in a Communist country, that liberalization related to information technologies, for example, telecom or the Internet, which this agreement also covers, are areas of the agreement that will have to be very, very carefully monitored and scrutinized. To be sure, Vietnam has several, for example, cybercafes, but we are talking about quite a bit broader liberalization than that in the agreement.

But in general I would say we are going to have to watch implementation very, very closely. Annual congressional review will be of great, great importance in that regard. The 3-year review of the agreement will be of great importance in that regard.

Mr. BEREUTER. Thank you. The time of the gentleman has expired.

The gentleman from North Dakota Mr. Pomeroy is recognized.

Mr. POMEROY. Thank you, Mr. Chairman, and I want to congratulate you for your legislative victory in the House this morning passing the overseas cooperative bill, which encourages the use of co-ops in expanding overseas development activities.

Mr. BEREUTER. And I thank you for being an original cosponsor.

Mr. POMEROY. My pleasure. That is a good bill, and I am hoping that is going to make it this session yet.

Ms. Barshefsky, it is go good to see you again. My brother the summer before last participated in a U.S. Commerce Department training session for insurance regulators in Vietnam. He serves presently as the insurance commissioner in North Dakota. He came back quite enthused about the potential for the services market there when we get a fair shot at that market. Would you have a comment on that?

Ambassador BARSHEFSKY. I think he is absolutely right to be enthused. The services markets in Vietnam are grossly under-

developed and underfunded. There is a lack not only of capital, there is a lack of expertise. There is a lack of information and know-how with respect, for example, to what a modern financial instrument looks like or what modern insurance looks like. So there is very substantial, substantial opportunities.

Mr. POMEROY. With this session winding down, this may be my last chance to publicly commend you in a hearing setting for the job you have done as our trade representative. You have been a tenacious advocate, and the howls from some of our trade competitors of the concessions you have wrought at the table I think shows third-party validation of your effectiveness.

I would be remiss in this last exchange potentially with you not to mention the North Dakota Wheat Commission 301 petition filed with you on September 8. Just a little background. Congressman Nethercutt, myself, many others, both parties, have urged that the petition be acted upon and an investigation launched. Commission 301, as you know, was designed to combat unjustifiable, unreasonable, and discriminatory acts, and, in that petition, we outline to the extent we can pull together anecdotal evidence that says precisely what is occurring.

Of course, the backdrop of this is very severely depressed markets and horrible grain prices, and we do not think as we go up against the Canadian Wheat Board that the trade competition has been fairly conducted.

We think that an investigation to the full extent of the Canadian Wheat Board's discriminatory pricing activities is required. I would remind you of their adamant refusal to allow the full audit that you and I have urged over the last 2 years. Like I always say, if they do not have anything to hide, why are they so adamantly opposed to the audit? The investigation would allow us to unilaterally proceed to give the Canadian Wheat Board the look that it deserves. I hope with your help we can take a strong stand against these unfair trade practices and support our farmers and move forward to launch the investigation.

Do you have a comment as to the status of the Administration's review at this time?

Ambassador BARSHEFSKY. Once a 301 case is filed, it goes to an interagency group which looks at the allegations, and which gives counsel and the petitioners an opportunity to appear before the interagency group to discuss the case. The interagency group will make a recommendation to me as to the disposition of the case, that is whether we initiate it or not, by mid-October, and I then need to make a decision by October 23.

Certainly we are very familiar with the activities of the Canadian Wheat Board. You and I have discussed many, many times our mutual frustration at the secrecy surrounding Wheat Board transactions and the fact that state trading in this sector produces extremely negative consequences for our producers.

I look forward to receiving the interagency recommendation and am certainly delighted to speak with you about it as well.

Mr. POMEROY. Thank you very much.

Ambassador BARSHEFSKY. Thank you.

Mr. BEREUTER. Mr. Pomeroy, I join you in your commendations for the public service that Ambassador Barshefsky has rendered

and her tenaciousness as a negotiator, and, like you, I just handed her a letter about nontariff barriers in the Philippines about American meat exports. So I have your same concerns about the Canadian Wheat Board.

The gentlewoman from Florida, the Chairlady of the IEPT Subcommittee, is recognized.

Ms. ROS-LEHTINEN. Thank you. I will make it brief because I know the Ambassador's time is limited. In your testimony you refer to the commitments that Vietnam will undertake. What commitments and steps has this country already taken and truly adhered to that raises investor confidence in a country with a Communist/Socialist economy? How can the U.S. investor really feel secure about property rights, about deregulation, about rule of law, avenues for redress?

Ambassador BARSHEFSKY. I think U.S. investors need to proceed with great caution and care. Vietnam was making some important progress in the early 1990's to roughly 1995, 1996, in terms of economic reform, at least passing some rudimentary but important laws with respect to the operation of companies, with respect to investment, with respect to what they call equitization, which is privatization.

When the Asian financial crisis hit, Vietnam was severely and negatively impacted because about two-thirds of all of its trade and all of its investment is with the rest of Asia, and, of course, the rest of Asia was not trading, and they were not investing. So Vietnam experienced rapid outflow of funds and very, very poor export performance, a slowed economy, and that then slowed the reform effort, the passage of laws and so on.

There is much to be done in Vietnam. It is a country in which an American businessperson would be advised to proceed slowly and very, very cautiously.

Ms. ROS-LEHTINEN. Thank you very much.

Thank you Mr. Bereuter.

Mr. BEREUTER. Thank you, and I thank all of the Members. Ambassador Barshefsky, thank you very much for your testimony. You will be pleased but not surprised to know that the wheels of the Senate debate are grinding more slowly than projected, so you will be in time.

Ambassador BARSHEFSKY. Thank you so much, Mr. Chairman.

Thank you, Madam Chairwoman.

Mr. BEREUTER. I would like now to call the second panel of distinguished witnesses from the Department of State and the Department of Commerce. Representing the Department of State is Assistant Secretary of State for East Asian and Pacific Affairs, Mr. Stanley Roth. Mr. Roth is a valued and frequent witness before the Subcommittee and has focused on United States-Vietnam relations in many years in many capacities in the State Department, the Pentagon, the private sector, the NGO community, and here on the Subcommittee itself.

Representing the Department of Commerce is Deputy Under Secretary of Commerce for International Trade Timothy Hauser. Mr. Hauser is a 21-year employee of the Department, who serves as Chief Operating Officer of the International Trade Administration [ITA]. He oversees the day-to-day operation of the ITA and its

trade promotion, trade policy, and trade law enforcement activities. He is the right person to have here today.

Gentlemen, as is consistent with our policy, your entire written statements will be made a part of the record. You may proceed as you wish. I would appreciate it if you could keep your oral comments to 10 minutes apiece.

Secretary Roth, you are recognized first.

STATEMENT OF HON. STANLEY O. ROTH, ASSISTANT SECRETARY FOR EAST ASIAN AND PACIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. ROTH. Thank you very much, Mr. Chairman, for the introduction. At some risk, I think, Madam Chairperson, as well, at some risk I am just going to submit my written testimony for the record without reading it, because listening to the statements and questions that were made, I don't think the largely historical materials that I provide in my statement focus on the key issues here of interest to the Members.

And so instead I would really to respond to some of the themes that have already been said.

First, I think there is a bit of disconnect between what we are saying and a lot of what we are hearing back in terms of what is a bilateral trade agreement. The bilateral trade agreement, if approved, does not make Vietnam an ally. It is not an ally. No one in the Administration claims it is an ally. A bilateral trade agreement is not a reward. A bilateral trade agreement is a benefit to the United States and to our exporters. It improves the terms with which we can do business with Vietnam, access to the market. If they do not abide by it, as Ambassador Barshefsky said, we will not renew it. There is leverage for implementation, but it is not a gift.

In fact, it is not special, it is the basis for NTR or normal trade relations. It is an agreement that is essential with every country with whom we have normal trading relations, and so it is a prelude if the Congress should decide to approve NTR at some future point after this agreement is submitted. So this not an unusual step or extraordinary step, it is a normal commercial step. The significance comes from the fact that in the Vietnamese context, given how far back they have been in terms of their economic procedures and the access they have provided us commercially, it will require an enormous amount of change on their part, much more change, I should say, on theirs than on ours. But this is not a gift or reward.

Second, it is not the Good Housekeeping Seal of Approval. I think, as Ambassador Barshefsky said, we have been very blunt in criticizing Vietnam in those areas where we think Vietnam should be criticized. I don't think anybody could read the human rights report or the recent report on religious freedom and say that we had coddled Vietnam or failed to call a spade a spade. We did.

We do not see this vehicle as the only means of policy toward Vietnam. We have many other tools with which we address issues, including, for example, the human rights dialogue that was referenced on the area of human rights.

Third, I think that we haven't really examined trends as opposed to a snapshot. For all the concerns about Vietnam's human rights record, and they are legitimate concerns that I happen to share, I

also strongly believe that the human rights situation in Vietnam is considerably better than it was 10 years ago or 20 years ago, and that there have been positive developments, even though they are not enough. If you ask me do I agree with the characterizations that have been made, sure. Is there freedom of speech, press assembly across the board? Of course not. Severe problems with freedom of religion? We have already said that.

But if you ask me to compare it with where it has been before, if I look at dissident releases, for example, they would not have happened in the past. If I look at the very large religious rallies that were held over the past year, 200,000 at one, 500,000 at another, that would not have happened in the past. As Ambassador Peterson has said, attendance in churches is up. It is not enough. That does not mean there is religious freedom. But there have been many positive developments in some of these areas, and I don't think we should have a hearing go by without acknowledging that there has been progress in some areas. We have gotten some dissidents out.

There now have been 60 strikes, even though the system in Vietnam does not theoretically allow strikes, that were allowed to take place last year. That is not enough. That is not my idea of labor rights under international standards, but that is a huge change from where we have been in the past.

I think you can go on and on, and I don't think I need to belabor the point other than to say take a look at the trends.

I think I make exactly the same point with the POW–MIA issue. I think we have made enormous progress toward obtaining the fullest possible accounting. That does not mean that we have gotten all of our questions answered, including the one that you, Madam Chairwoman, have raised. We have not gotten the answer yet. Ambassador Peterson personally put that question to Vietnam and has not gotten a satisfactory answer, and we will raise it again.

We are not claiming it is 100 percent every single thing that we asked for is there, but there has been a consistent pattern of cooperation on a wide variety of issues with enormous progress having been made, and I think that has been detailed at great length. I do not need to do that now.

I think, finally, we haven't taken into context what is Vietnam's relationship with the rest of the world and how does that relate to our issues? I think it is very important to note that over the past few years, Vietnam has been admitted into ASEAN. It is, in fact, the Chairperson, Chairman, this year of ASEAN. Will be holding the annual ASEAN regional forum meeting there. It is in APIC. It is a member, participating widely in the Asia-Pacific area, quite different from where Vietnam historically has been. All of our friends and allies in the region are working with Vietnam. We partake in many international meetings with them. I think that there is little chance if the United States chose to try to isolate itself from Vietnam that, in fact, any other country or any other major country would support us, and that is where I think the regional context plays as well.

So, overall, I guess what I am pleading for is not to say to you that everything is terrific, that Vietnam is a model whether of economic good governance or human rights practice. Of course it isn't.

But rather, look at how far Vietnam has come, the successes we have had with the policy to date and where we hope to get in the future, and that is where the BTA, or bilateral trade agreement, fits in.

And that is the final point I want to emphasize. There is frequently misunderstanding, whether we are talking about China, Vietnam, or other places, when the Administration makes the case that if this agreement goes into effect and is enforced, that over time it will lead to an improvement in the situation. I have many times been questioned how come the situation in China is not better 1 year or 2 years later. I want to be clear about what we are suggesting. We are not suggesting that these agreements, particularly trade agreements, are immediate mechanisms for improvements on human rights, that it is any kind of a quid pro quo that will lead to dramatic immediate changes.

What we are suggesting is that they set the stage for systemic changes, that the kind of reforms that are called for under this agreement, the kind of openness that has to take place, the greater accountability, the greater stress on rule of law, plus the greater exposure to the West as Vietnam trades more, as it modernizes and sends more people to be educated, we are suggesting that over time all of those factors will have an impact on the political process in Vietnam.

That is not a commitment that I can codify for you and say 2 years from now there will be 20 percent less dissidents or anything like that. What we are saying, it is a process that should yield desired results over a period of time.

Why don't I stop there, Mr. Chairman.

[The prepared statement of Mr. Roth appears in the appendix.]

Mr. BEREUTER. Thank you, Secretary Roth.

Secretary Hauser, we are pleased to hear from you now.

STATEMENT OF HON. TIMOTHY J. HAUSER, DEPUTY UNDER SECRETARY FOR INTERNATIONAL TRADE, U.S. DEPARTMENT OF COMMERCE

Mr. HAUSER. Thank you, Mr. Chairman, Madam Chairperson, Members of the Subcommittees. Thank you for the opportunity to appear here today on behalf of the Department of Commerce.

Ambassador Barshefsky and Assistant Secretary Roth have addressed many aspects of our evolving bilateral relationship with Vietnam. Let me focus briefly, if I may, on three main points about the economic and commercial aspects of this relationship.

First point, Vietnam is changing in fundamental ways. U.S. policy is providing both the catalyst and the framework for this sea change. The catalyst is the promise of economic success. The framework is the bilateral trade agreement.

I have been watching this process of change closely since the spring of 1996 when I led the first U.S. Government trade mission to Vietnam. More recently, just last month, Robert Mallett, our Deputy Secretary at Commerce, experienced this same palpable energy of change when he went to Vietnam.

Some of the changes going on are extremely visible. One example is Vietnam's first security exchange. The Deputy Secretary visited

that exchange, which was some 8 years in the making, just days into its operation.

Another example which I find fascinating was the fact that he received a PowerPoint presentation from the Vice Chairman of the People's Committee of Ho Chi Minh city of his vision of a software city that he plans to create with the help of an American company.

But perhaps the more significant changes are not quite as visible as these. One example of this, and perhaps the most telling, was our delegation's roundtable discussion last month with young Vietnamese entrepreneurs in Ho Chi Minh City. The participants were people who were confident in their ability to compete in the global marketplace and who look forward to an environment that would allow them to do so.

I would submit, Mr. Chairman, that these represent real changes, none of which I saw 4 years ago during my initial trip to Vietnam.

Second, I believe there is a renewed enthusiasm for business in Vietnam. We at the Department of Commerce, as part of our daily work, talk with a broad range of American business executives. We have also talked extensively with Vietnamese officials. To a person, they are extremely enthusiastic about the signing of the bilateral trade agreement.

This renewed enthusiasm is reminiscent of some of the initial euphoria over the lifting of the embargo and the establishing of diplomatic relations in 1994 and 1995. I was still seeing this enthusiasm when I was there in 1996, and we are seeing it again today, but I think in a more grounded way. As they were then, American companies are attracted to this new frontier by the very attractive fundamentals of a young and industrious population and a good base of natural resources.

Over the intervening 4 years, it is true that some of the companies became disillusioned by the difficulty of doing business in Vietnam. The cost of doing business there is extremely high and government policies there at times have been schizophrenic. The Asian financial crisis further compounded the difficulties for all parties involved.

But I think the renewed enthusiasm we are seeing today is fundamentally different from the high expectations of the first wave. Our firms are taking a second, more realistic, look at this challenging market. They have gained in-country experience over the past 5 years which now gives them an optimistic but realistic view of commercial opportunities in Vietnam, and the bilateral trade agreement has addressed many of their uncertainties.

My third point, this is not going to be an easy process, and the Vietnamese will need our assistance. Vietnam is still clearly a country in transition. Much work remains to be done on the implementation of the bilateral trade agreement. Progress will not be easy, fast, or necessarily even smooth, but I believe it will be unstoppable.

Vietnam is now on the path toward integration into the global economic community. Signing the BTA was a significant step down that path, but implementation is the key to that journey.

We at Commerce will work closely with USTR, the State Department, and the other agencies of the executive branch and the Con-

gress to monitor implementation of the agreement. As many in Congress have noted, it is important to do the hard work of monitoring all of our trade agreements and determining the degree to which foreign countries comply with them.

In addition to monitoring implementation, we at Commerce will also help American companies take advantage of the agreements's market opening opportunities through a variety of initiatives. But we also need to help the Vietnamese make the agreement work.

During the bilateral negotiations, our negotiators told the Vietnamese that the United States would provide technical assistance to help them implement the agreement. Deputy Secretary Mallett reaffirmed this commitment during his visit last month.

We at Commerce have already begun a range of technical assistance initiatives in a number of disparate areas. For example, as early as 4 years ago I signed a memorandum of cooperation on commercial law development with the Vietnamese. Since then, we at Commerce have provided assistance in other areas as in insurance regulations, standards workshops, intellectual property enforcement training, as well as meteorological and fisheries cooperation.

To date, many of these efforts, though positive, have been on an ad hoc basis. We need to do more. I think we need to work together both in the Administration and with the Congress to develop a comprehensive, targeted technical assistance program which could be a major investment in the new relationship.

With that, Mr. Chairman, let me stop. I would be pleased to take your questions and those of the Subcommittee Members.

[The prepared statement of Mr. Hauser appears in the appendix.]

Mr. BEREUTER. Under Secretary Hauser, thank you very much for your testimony as well.

We will now proceed, of course, under the 5-minute rule as usual.

The gentlewoman from Florida, chairwoman of the IEPT Subcommittee, has left to meet with officials about a plane crash involving her constituency, and we will submit questions for her under general leave. I will start the questioning under the 5-minute rule.

Secretary Roth, I wanted to ask your opinion or the State Department's judgment, if there is such a judgment, whether you think Vietnam's decision to sign the trade agreement is an indicator that Vietnam's reformers have broken the policy paralysis in the Politburo, or is it a sign that conservative hard-liner efforts are simply trying to co-opt the reform agenda?

Mr. ROTH. I hope that it is the first. I view it more of an ebb and flow, not that it is one, you know, final victory. I think there is a struggle going on within the regime in Vietnam between reformers and those opposed to reform and that it waxes and wanes at various points.

We saw this in the negotiation of the agreement itself, the fact that we thought we had the deal and then the fact that it did not happen and then the fact that we got the deal with concessions made that weren't available before suggest to me that this is still being fought out within there. But now that it is signed in writing and needs to be implemented I hope that the impetus or the strength will go to the reformers.

Mr. BEREUTER. Undoubtedly, it delayed or slowed down the course of the negotiations.

Secretary Hauser, you have mentioned the kind of things that you have had ongoing to try to ensure that we have better record of implementation of the trade agreement once it is signed, approved by Congress; and you mentioned many of these things are really ad hoc as opposed to a comprehensive policy.

Can you tell me anything more about how you might move to a more comprehensive policy? What the components of it would be? Whether you need additional resources to do that? And if so—as we did in the case of China, if so, are they available within the Commerce Department or do they depend upon, in part, a budget request for Department of Commerce for fiscal year 2002?

Mr. HAUSER. Mr. Chairman, let me differentiate. What I think I said was ad hoc was some of our efforts at technical assistance, and I think we are taking positive steps across the Administration in that regard. I know AID has made resources available for two people to work with the Vietnamese Government on implementation of the bilateral trade agreement. We have ongoing efforts at technical assistance. In fact, as Congressman Pomeroy had said, we had some of our experts from the insurance industry over in Vietnam. In fact, we have another team on insurance there this week. Our Commissioner of Patents and Trademarks, Under Secretary Dickenson, I believe, is going to be in Vietnam within another week or 10 days, again, to bring some existing resources efforts to focus on how we can help the Vietnamese live up to the agreement.

On the issue of implementation of the agreement, we have asked the Congress for some assistance across the board in the U.S. Government in the fiscal 2001 budget.

Mr. BEREUTER. But not identified specifically for Vietnam?

Mr. HAUSER. Vietnam, among a number of countries. We are looking for increased resources, obviously, for key areas like China, Japan, Europe. I think there is also a need to be putting more resources on this particular issue as this agreement comes forward.

Mr. BEREUTER. Secretary Roth, in the past, Vietnam has treated United States citizens of Vietnamese background differently and more negatively than other United States citizens. Given that increased economic and trade ties will likely increase travel to and business dealings with Vietnam by the part of United States citizens of Vietnamese origin, what steps will our government take to end the kind of discrimination that seems to exist against Vietnamese Americans?

Mr. ROTH. First, one would hope that Vietnam itself would come to recognize and see that Vietnamese Americans are a positive factor in terms of developing the relationship in their own economic development.

Mr. BEREUTER. They should. It is logical.

Mr. ROTH. I think that over time that is likely to be the trend.

Second, we need to continue what we are doing, which is to press extremely hard on every single case when we find examples of discrimination. I have spent hours in Ho Chi Mihn City, for example, discussing consular access for Americans who have been detained on criminal matters. I think we have to make it very clear that there is no distinction in the minds of United States officials be-

tween Vietnamese Americans and other Americans. That just has to be a priority point when necessary. We have to get our Cabinet officials to raise these cases until they come to accept it.

Mr. BEREUTER. Thank you, Mr. Secretary.

My time has expired. The gentleman from Florida, Mr. Davis, is recognized 5 minutes.

Mr. DAVIS. Thank you, Mr. Chairman.

Secretary Roth, how would you describe the current state of affairs as far as the government's level of respect for political and civil rights of its citizens in Vietnam?

Mr. ROTH. Minimal, I guess I would have to put it. As I mentioned before, one can't talk about a whole lot of freedom of speech, press, assembly and the like.

At the same time, changing. That I think you see signs that you did not see before. I have been traveling to Vietnam for the past 20 years, and it is different in many ways. It is inconceivable to me to see a demonstration not organized by the government. Now you can see that there were demonstrations outside their parliament when it meets on various issues. There is occasional criticism, not systematic; and sometimes there is retaliation in the press. It is usually oblique, but the press is different than it had been before, even though it is not nearly good enough.

There has been—in other words, it is episodic, but there is some signs that there is a gradual loosening. But there has been no conceptual breakthrough yet. I don't think we can say yet that Vietnam is on the path to democracy.

Mr. DAVIS. How do you see the implementation of this proposed trade agreement influencing trends in that regard?

Mr. ROTH. Well, I tried to make the point before that I think that over time—and I am not necessarily saying a very short, immediate period of time. I think that as trade increases, as there is more exposure with the United States and the rest of the world, as different standards are used in terms of commercial law, in terms of transparency, in terms of accountability, I think all of that has to have an impact and spillover effect into the political side of the equation in Vietnam.

It is not a one-to-one correlation, which is why I am trying not to be absolutely—trying to not overstate and say that this guarantees, the BTA, that Vietnam will be a democracy or our type of guys or our type of system in another 5 to 10 years. But I think the trends that it promotes have to be helpful in terms of the kind of openness that we all want to see.

Mr. DAVIS. Thank you.

Mr. Hauser, Representative Rohrabacher raised a legitimate point earlier and that was the net benefit strictly on the economics to the United States of this proposed agreement. And Ambassador Barshefsky made the point that in the case of some exports to Vietnam currently there are no tariffs imposed by the United States. I think that is the case with shrimp and coffee, for example, two major export items.

Could you elaborate a little bit more on what the net benefits are to the United States as far as the tariff reductions both on imports and exports under the agreement?

Mr. HAUSER. I think you would have to look, Congressman, beyond just the tariff reductions. I would note that I believe something like four-fifths of the some-250 line items that are being reduced in the Vietnamese tariffs are for American agricultural products, which we know are very competitive and in search of world markets. So I think the prospects in those sectors—and, again, I am the Department of Industry and Services, but my colleagues at Agriculture tell me that soybeans, soybean meal, bulk cotton, wheat, wheat flour, livestock and a number of other agricultural products would benefit from this market opening.

In addition to the tariff reductions in the agreement, the provisions on service industries, for example, go a tremendous way to meeting the concerns that we have heard from the American business community over the years. In 1996, for example, I met with a number of U.S. insurance companies, American banks that at the time were able to have a branch operating in Hanoi, and the big deal for them was to get permission, which they were not getting, to open a branch in Ho Chi Minh City. Those kind of restrictions on doing business in Vietnam are eliminated in the process of the trade agreement.

There had also been very strict limitations in terms of degree of foreign ownership of particular sectors, whether it is issues in telecom, insurance or any of the other service sectors. The agreement as negotiated, and if it is approved by the Congress, will over time allow increasing American ownership, increasing participation in these sectors.

Similarly, the business facilitation provisions, the transparency provisions that are within the six major categories Ambassador Barshefsky discussed are all to the benefit of American firms seeking to do business in the market. So it goes beyond the tariffs, Congressman.

Mr. DAVIS. One last question, Secretary Roth, a question that would probably have been better directed to Ambassador Barshefsky. As this Congress begins to more aggressively tackle the human rights issues, the labor and environmental issues that are invariably associated with trade, as evidenced by some of the efforts of our Chairman here today and Congressman Levin on the China bill, to what extent were those subjects brought up on the discussions of the bilateral agreement here and to what extent do you see that as being a part of Congress' consideration when we take up Fast Track on bilateral next year?

Mr. ROTH. I really can't address the first part of the question, since I was not part of the negotiations, did not sit in on them and haven't read the transcripts, but I will get you an answer for the record.

Answer: Concerned by Vietnam's poor human rights record, this Administration has worked consistently to engage Vietnam on these issues. For 8 years, we have pressed for improvements through high level meetings, everyday activities by Embassy personnel, and our annual human rights dialogue. We have achieved some progress, although significant problems remain.

The Bilateral Trade Agreement with Vietnam should facilitate additional progress on both human rights and labor conditions. The Agreement grants Vietnam's citizens significant rights to trade and distribute goods and services. Over time, increased trade should allow Vietnamese citizens to determine their economic destiny, leading to a broader expansion of individual liberty. Furthermore, we are confident that Vietnam's commitments to improve the rule of law in commercial transactions

will eventually lead to the extension of the rule of law to other, non-commercial activities in Vietnam.

We have clearly not finished the job. We will continue to press for progress until Vietnam meets internationally accepted standards for human and labor rights.

Environmental issues did not figure prominently in our BTA negotiations but they figure prominently in our bilateral relations. The USG is working with Vietnam on revision of its environmental law, improvements in air quality, coral reef preservation and coral reef trade management, and watershed management to mitigate floods. Vietnam has also agreed to conduct joint scientific research on the epidemiological and environmental effects of exposure to Agent Orange/dioxin. We fully expect the BTA to bring to Vietnam the latest U.S. technology and practices related to the environment.

On the second part of your question, I think it is quite clear that the Administration has heard the message, not only from the Hill but from segments of American society, that it would like to see more attention being given, more emphasis in some of our trade agreements on environment, human rights and labor issues; and I think that has already surfaced as something that the Administration would like to do in the future as we look forward. So we know this is coming in terms of congressional consideration.

At the same time, I think it is important, in terms of the consideration of this particular agreement, that we not hold Vietnam to a different standard than we have held many other countries in their bilateral trade agreements and, in other words, not change the rules retroactively on them. We did negotiate an agreement, and I think we should go ahead and seek to get it approved.

Mr. DAVIS. Thank you. Thank you, Mr. Chairman.

Mr. BEREUTER. I will advise we probably will have a second round.

The gentleman from California, Mr. Rohrabacher, is recognized for 5 minutes.

Mr. ROHRABACHER. Thank you very much.

Whereas this is likely to be Mr. Roth's last appearance before this Subcommittee of this Congress, anyway——

Mr. ROTH. No more hearings?

Mr. ROHRABACHER. No more hearings—I would like to ask him a little bit about some testimony that he gave prior to this. I seem to remember that you had been downplaying at the last hearing the last time we were together my warnings about the military escalation in the South China Sea. I have submitted for the record, Mr. Chairman, an article from a July 26 article from the Chinese army newspaper characterizing their facilities in the Spratly Islands as modern fortresses at sea. Mr. Roth, would you say that your characterization of my warnings the last time you testified before this Subcommittee are more accurate than the Chinese characterization of their modern fortresses at sea in the Spratly Islands?

Mr. ROTH. Absolutely. I would stand by what I said. Common sense suggests if you look at the pictures of the facilities that they are hardly modern fortresses.

Mr. ROHRABACHER. When was the last picture that you saw of those facilities?

Mr. ROTH. A couple of months. I should say——

Mr. ROHRABACHER. Mr. Chairman, I would submit for the record—do we have those pictures? We will submit for the record those pictures, and they are modern fortresses with helicopter landing pads and facilities for rocket launchers.

Go right ahead.

Mr. BEREUTER. Without objection, they will be made a part of the record.

[The information appears in the appendix.]

Mr. ROTH. I think the interesting thing to note is, because of the diplomatic pressure we have generated, China has now engaged in what it said it would not do, negotiating with the other claimants on a code of conduct; and that, I think, is significant if we get it; and that the claimants are standing tough and insisting on construct freeze, no new facilities, denying Chinese fishing rights until——

Mr. ROHRABACHER. As you know, up until now the Chinese have not been willing to negotiate with the other ASEAN parties, claiming that all of the Spratly Islands belong to them..

Mr. ROTH. They are in negotiations, which is a major accomplishment.

Mr. ROHRABACHER. If indeed—we will wait and see if your optimism is justified.

Now, in terms of Vietnam, again, for the record let me point out that what we have heard today is that we have an agreement that will permit the North Vietnamese or the Vietnamese, I should say, government, that dictatorship, to continue to have very high levels of tariffs against American products, while our tariffs are going to be substantially lower, perhaps very low in comparison.

Also, part of this agreement will be a subsidy to American businessmen who want to perhaps close factories here and open up factories in Vietnam, while our Ambassador, our trade representative just stated that businessmen should be very cautious, very, very cautious in doing business in Vietnam. Yet our agreement permits Export-Import Bank, OPIC, and other U.S. taxpayers to subsidize those businessmen in building those factories.

That does not seem like a good deal for America to me. It seems to me that we have a terrible trade balance with Communist China. It seems that we are setting up the same sort of incentives for people to build businesses over there but not to sell U.S. products.

Mr. ROTH. I am baffled by your linkage between the BTA and these programs. It is Jackson-Vanik which gives these programs. We have these programs already. We do not have a BTA yet, and we have these programs already. So I think that this has nothing to do with BTA.

Mr. ROHRABACHER. Right. This does not lay the foundation for our trading relationship for Vietnam in the future. Which I think it does, and that, I think, is what we have heard today.

One last thing about the POWs which you have characterized as their "cooperation." Ambassador Pete Peterson when he was here a month ago changed his position, by the way, I might add, when the floor debate was going on, said they had cooperated. But afterwards, when he met with me, admitted that the Vietnamese Government has not cooperated with us in providing us the records from prisons in which our POWs were being held. They haven't provided how much supplies or how many prisoners were supposed to be there. They just have not.

Pete's position is, which I imagine—and I am asking you, Mr. Roth—is that the position of the Administration is that we do not expect the Vietnamese to provide us the records from those prisons because it is unrealistic for us to expect them to have those records? Or, after having demanded to see those records for 10 years, that we still are asking for those records?

Mr. ROTH. Well, I think this is something that you may want to pursue in more detail with DIPMIL than with me, since I don't work on it day to day. But having seen your exchange and heard about it from Pete, what I have been advised is that it is the assessment of our experts that they do not have these records, and after 25 to 30 years that they have long since vanished.

Mr. ROHRABACHER. Vanished?

Mr. ROTH. It is, further, their assessment that they probably would not contain useful information if they had them.

Mr. ROHRABACHER. I think that the public will have to determine whether we can characterize that position which you just articulated as something less stringent than holding their feet to the fire. You might say we are letting them off the hook.

Mr. ROTH. You can't demand production of documents that do not exist, which is one of the problems we have had all along is trying to figure out what does and does not exist. It is easy to say you have to produce something, but if it isn't there, and it is completely credible to me that it might not be there——

Mr. ROHRABACHER. Well, whenever something comes down to giving them the benefit of the doubt whether those documents exist, I guess it is better to give them the benefit of the doubt rather than worry about some POWs that have been murdered somewhere.

Mr. ROTH. We have gotten an extraordinary amount of documents from the Vietnamese.

Mr. BEREUTER. The time of the gentleman has expired. We will come back to the gentleman if he wishes.

I would like to return under the 5-minute rule for a second round.

Secretary Hauser, if the BTA enters into force, which sectors do you think will benefit the most? That is my first general question.

And sort of subsets under it, one of the predictions of analysts is that the first beneficiaries of the agreement, or the larger beneficiaries, initially at least, might be American investors versus American—and multilateral investors, as compared to American exporters. I wonder if I could get your reaction to that.

Second, you briefly discussed the areas, commodities products and so on, where you think we might have the biggest natural benefits in terms of exports and suggested you were not an agricultural expert. I heard several things mentioned.

The quantitative restrictions, according to Chapter 1 of the agreement, reduced a range of industrial and agricultural products, but they specifically list auto parts, citrus and beef over a period of 3 to 7 years as being areas where we could expect substantial export increase.

Would you care to react in any kind of degree of specificity to those questions and subquestions?

Mr. HAUSER. Yes, thank you, Mr. Chairman.

As I say, I had gone through where we saw opportunities largely arising from the tariff cuts on the agricultural spectrum.

On the industrial side of the ledger, I think the best prospects we have identified in Vietnam would be, one, aircraft and aircraft parts; two, oil and gas exploration and production services; three, power generation and transmission; four, food processing and packaging. Let me do two more, computer hardware software and services and telecom.

I think in most of these sectors there is the opportunity for export sales. We have been talking to the Vietnamese about an aviation agreement. They want to develop a world-class airline. We know the American producers are in discussions with them. I think there is a good opportunity there. Vietnam is a resource-rich country. American technology in the areas of oil and gas exploration are world class. I think there is good opportunity for sales there.

Similarly, as the country industrializes, moves down the development path, power generation, power project will be very important. Again, I think these all create very real sales opportunities for American business over the near to medium term once the agreement takes place.

Mr. BEREUTER. Thank you.

We are having a vote a little earlier than I anticipated. I was going to ask your opinions about what Deputy Under Secretary of Labor for International Labor Affairs Andrew Samet is likely to achieve, but I will ask him directly by letter and will move to my colleagues so we can complete this round and complete the hearing before we go vote.

The gentleman from Florida, Mr. Davis, is recognized.

Mr. DAVIS. Mr. Chairman, I have no more questions.

Mr. BEREUTER. The gentleman has no questions. Perhaps I will sneak in one then, if I may; and that is related to the Generalized System of Preferences [GSP]. Secretary Hauser, the signing of the BTA could bring Vietnam closer to receiving United States trade benefits under the GSP. What are the conditions we would think under which the United States would proceed with granting Vietnam GSP?

Mr. HAUSER. Well, I think as a threshold question—and I am not a trade lawyer, Mr. Chairman, but I believe Vietnam first needs to become a WTO member before it passes eligibility for GSP. We then do have a set of criteria, including issues like intellectual property protection, worker rights, etc., that we would look at very carefully in making a decision on GSP.

Again, WTO accession, while we think our agreement tees up a number of issues at a WTO world-class standard, is still an issue that is some years down the road.

Mr. BEREUTER. And obviously they will be expected still to be meeting the economic criteria?

Mr. HAUSER. Yes.

Mr. BEREUTER. The gentleman from California, Mr. Rohrabacher, is recognized for 5 minutes.

Mr. ROHRABACHER. I will be submitting for the record an article that came out in the last 2 days describing the end of the ASEAN negotiations with the Chinese and describing them as being total

failures in negotiation, Mr. Chairman. I am surprised that Mr. Roth characterized it as something else, but we will find out.

Mr. ROTH. I just met with the Philippine foreign minister yesterday who has been intimately involved in the negotiations, and they are ongoing. They are not over.

Mr. ROHRABACHER. Well, we will take a look and see whether we are just talking about round one being a failure or whether the negotiations themselves are being labeled as failure.

Also, Mr. Roth, you mentioned that for the first time we have seen strikes in Vietnam. Do you know, were any of those strikes at other than foreign-owned companies?

Mr. ROTH. I don't know the details of them.

Mr. ROHRABACHER. So you are hailing strikes here, but you do not really know whether or not they are permitted to have strikes at companies that are owned by anybody else except foreigners?

Mr. ROTH. I was simply making the point that, despite the fact that these are technically illegal acts, that they did not arrest the people. They permitted them to go forward. It was part of my point about the generality trend.

Mr. ROHRABACHER. Well, at a hearing when we were trying to determine the economic viability of people doing business there, it would seem to me it would be very important for us to know whether or not the Vietnamese Government was permitting strikes at foreign-owned companies but the rest of the country they were holding labor with an iron fist.

Mr. ROTH. I will try to answer for the record then.

Mr. ROHRABACHER. All right.

Answer: According to our Embassy, 17 legal strikes occurred during the first half of 2000. Of these, 11 were at foreign-owned enterprises, and 3 at state-owned enterprises. As noted in the 1999 Human Rights Report, an estimated 252 strikes were reported from January 1995 through September 1999. Of these, some 132 strikes were in enterprises with foreign investment, about 40 in state-owned enterprises, and 80 in private enterprises. Most of the strikes did not follow an authorized conciliation an arbitration process, and thus were illegal; however, the Government tolerated the strikes and did not take action against the strikers. Neither the Vietnam General Confederation of Labor (VGCL) not its affiliate unions officially sanctioned these strikes, but they were supported unofficially at the local and provincial levels of the VGCL on an informal basis.

Mr. ROHRABACHER. Let me say I disagree, obviously, with your assessment about whether or not there has been cooperation about POWs. I think—and I am very sorry to hear that it now seems to be want official position of this Administration that the Vietnamese should not be expected to have the records from the prisons in which American POWs were held during the war.

Let me note that Communist regimes are infamous for their recordkeeping. They are—this is something that they have excelled in. They do not excel in economic growth in Communist countries, but they excel in bureaucratic recordkeeping. And I am just sorry to hear that we are willing to just give them the benefit of the doubt that those records no longer exist, because those are some records that could indicate how many American POWs that they actually held.

Mr. Roth, are you aware that Pete Peterson was kept not as a prisoner of war but as a "missing in action" during the first 3 years of his captivity?

Mr. ROTH. No, I wasn't.

Mr. ROHRABACHER. Do you know what he was not in the ordinary—in with the other prisoners during that time period?

Mr. ROTH. He has told me some of his experiences.

Mr. ROHRABACHER. That would indicate that perhaps there was a—certain people that were being kept that no one knew were being kept. These records would indicate that.

I don't believe that the Vietnamese are being honest with us. I believe that they kept hundreds of Americans after the war and perhaps murdered them since. But we need to know that before we should be entering into an agreement that provides U.S. taxpayer subsidies to businessmen who build factories there, or permit that country to have a high level of tariffs against American products while they can flood their products that are being built with slave labor into our markets. It is not good for America, and it is not being loyal to our own people.

Thank you very much, Mr. Chairman.

Mr. BEREUTER. Thank you very much, Mr. Rohrabacher.

Gentlemen, I want to thank you for your testimony today. Obviously, we expect to come back to this subject in the next Congress. As I mentioned, this was a way of us starting for consideration of the BTA when it is officially brought before us.

I was going to ask Ms. Barshefsky when we could expect a letter of transmittal, but perhaps we will do that by letter. And I would make an announcement that while I am never convinced that anything is final in the Senate, I am told that the vote on H.R. 4444 was 85 to 15. The Subcommittees are adjourned.

[Whereupon, at 3:04 p.m., the Subcommittees were adjourned.]

A P P E N D I X

SEPTEMBER 19, 2000

Honorable Doug Bereuter
Chairman, Subcommittee on Asia and the Pacific
September 19, 2000

"A Prelude to New Directions in U.S.-Vietnam Relations:
The 2000 Bilateral Trade Agreement"

The Joint Subcommittee meeting will come to order.

The Subcommittee on Asia and the Pacific and the Subcommittee on International Economic Policy and Trade meet jointly to examine the current and future state of U.S.-Vietnam relations in the context of the new Bilateral Trade Agreement (BTA) signed between Washington and Hanoi on July 13, 2000.

After taking nearly five years of frustrating and difficult negotiations, this new Bilateral Trade Agreement (BTA) represents what I believe to be an important milestone in the process of normalizing incrementally our bilateral political, economic, humanitarian and consular relationships with Vietnam. Focusing for a moment on the economic relationship, this evolving process began in 1994 with the lifting of the Vietnam War-era trade embargo and the establishment of ambassadorial-level diplomatic relations the following year. Further incremental steps – such as allowing for the Overseas Private Investment Corporation (OPIC) and the U.S. Export-Import Bank to support American businesses exporting to or operating in Vietnam – were taken with the President's granting Vietnam a waiver from the requirements of the Jackson-Vanik amendment. Congress has supported that waiver by increasingly large margins each of the last three years. The new BTA represents yet another step which will be followed by President Clinton's trip to Vietnam following the APEC summit in November.

I believe that this incremental policy and the new BTA is in America's own short- and long-term national interest. It is a flexible policy allowing us to take advantage of new opportunities -- such as those in the trade arena now available with the BTA -- while at the same time preserving our leverage to help influence change in the more problematic facets of our relations such as human rights. Indeed, I believe our incremental approach also builds on Vietnam's own policy of political and economic reintegration into the world.

The Subcommittee on Asia and the Pacific has held a number of hearings on Vietnam in recent years, conducting both broad reviews of the general direction of U.S.-Vietnam bilateral relations and more defined examinations of specific issues such as the fullest possible accounting of American POW-MIAs, the plight of Vietnamese boat people and the failure of Vietnam to meet its human rights obligations. Today's hearing is the first that focuses primarily on bilateral economic relations; however it certainly does not do so at the exclusion of these other important issues. Clearly, U.S.-Vietnamese trade relations cannot be viewed as if in a vacuum.

At this time, the BTA has yet to be transmitted to Congress. I certainly welcome any insights our USTR, Ambassador Barshefsky, may have on when we should expect to see that

transmittal. With adjournment hopefully just a few weeks away, there is not time this year for this Congress to consider and approve the BTA, a prerequisite to the agreement's actual implementation. Thus, I envision today's hearing as an early opportunity to begin the process of Congressional consideration of such a BTA. Before Congress will approve this significant step forward in relations, there will be many questions for the Administration to answer satisfactorily. For example, is the BTA a prelude to new directions in U.S.-Vietnam relations? What actual benefits can the United States generally and American business interests specifically expect from the BTA? Does approval of the BTA enhance or serve to postpone needed progress in other non-economic concerns such as POW-MIA accounting, human rights, emigration and political reforms?

To help our two Subcommittees answer these and many other important questions, including those pertaining to the President's Vietnam trip, we are very fortunate to have with us today a truly outstanding panel of high-level and distinguished Administration witnesses. The first panel will consist of Ambassador Charlene Barshefsky, the United States Trade Representative. While the BTA is the result of hard work from many different agencies, of course, it is the USTR that has provided the yeoman's service in the negotiations with the Vietnamese – as was the case with the bilateral market access agreement for China's accession to the WTO. Ambassador Barshefsky, it certainly was a great pleasure to work with you on the China PNTR issue and I understand that in an hour or so the Senate will be voting on final passage of H.R. 4444 as passed by the House and thankfully un-amended by the Senate. In that regard, I appreciate that you have responsibilities associated with that vote and are limited in the time you can spend with us here.

Following Ambassador Barshefsky the Joint Subcommittee will hear from a panel from the Departments of State and Commerce. Representing the Department of State is Assistant Secretary of State for East Asia and Pacific Affairs Stanley Roth. Mr. Roth, a former distinguished staff member with the House Foreign Affairs Committee, is a valued and frequent witness before the Subcommittee and has focused on U.S.-Vietnam relations for many years in many capacities in the State Department, the Pentagon and here on this Subcommittee itself.

Representing the Department of Commerce is Deputy Under-Secretary of Commerce for International Trade Timothy Hauser. Mr. Hauser is a 21-year employee of the Department who serves as the chief operating officer of the International Trade Administration. He oversees the day-to-day operations of the ITA in its trade promotion, trade policy and trade law enforcement activities.

As is consistent with the practices of the Subcommittees, the entire written statements of the witnesses will be made part of the record, without objection. But, I would ask our witnesses to limit their oral remarks to approximately ten minutes to allow maximum time for discussion and dialogue.

Let me now turn to the Chairwoman of the Subcommittee on International Economic

Policy and Trade and the very distinguished gentlelady from Florida, Representative Ileana Ros-Lehtinen for any introductory comments she may have. Then, I will turn to the distinguished gentleman from California and senior Democrat on the Asia and Pacific Subcommittee, Mr. Lantos, and then the distinguished gentleman from New Jersey and senior Democrat on the IEP&T Subcommittee, Mr. Menendez. We will then proceed directly to the testimony by Ambassador Barshefsky as her time before us is limited due to the upcoming China PNTR vote in the Senate. The opening statements of any other Members will, without objection, be included in the Subcommittee Record.

Chairwoman Ros-Lehtinen....

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Statement by Hon. Ileana Ros-Lehtinen, Chair
Subcommittee on International Economic Policy and Trade
for Joint Hearing on:
"Prelude to New Directions in U.S.-Vietnam Relations:
The 2000 Bilateral Trade Agreement"
September 19, 2000

I welcome the opportunity for this hearing to be held jointly by the Subcommittee on Asia and the Pacific, chaired by my colleague from Nebraska, Mr. Bereuter, and the Subcommittee on International Economic Policy and Trade, which I chair. I commend Chairman Bereuter for his initiative.

While the witnesses appearing before us today may be of like mind in their approach to U.S.-Vietnam relations, there are vast differences among the Chairs of the two Subcommittees regarding the viability and wisdom of trading with a Communist regime such as Vietnam.

In fact, some of us view Vietnam as a classic example of what happens when economic engagement begins without first requiring fundamental concrete changes in government and civil society. The result? A sprinkling of limited economic reforms to mask the strengthening of Communist totalitarian regimes.

In Vietnam, such entrenchment was clearly demonstrated in 1999 with the passage of a resolution which stated that: "Party committees should strictly criticise and punish those party members who...after being assisted by the party organisation keep disseminating their own opinion or distributing documents contrary to the platform, statutes and resolutions of the party."

In August of this year, a report for the Vietnamese Communist Party's congress was drafted making reference to the so-called process of reform started 15 years ago. However, that same document reiterated that: "During the process of reform, it is essential to persist with the goal of socialism based on Marxist-Leninism and Ho Chi Minh ideology." This coincides with the April 1992 Vietnamese constitution reaffirming the role of the Communist Party as the leading force of the State and society.

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Article 4 of the Vietnamese Constitution enables the security apparatus to enforce an extra-legal administrative decree against any dissidents under the pretext of "endangering national security."

The Vietnamese government continues to systematically violate the human rights, civil liberties, and religious freedom of its people. It utilizes a maze of laws, decrees, and regulations to prohibit religious worship and to justify the arbitrary arrest, detention, harassment, physical abuse, and censorship of those seeking to exert their religious liberty and right to free association.

The Vietnamese regime is among the "totalitarian or authoritarian regimes" specifically rebuked by the State Department for its religious restrictions. The intense governmental suppression and control came under scrutiny and harsh criticism when the Annual Report on International Religious Freedom was released earlier this month. However, these denunciations fell on deaf ears as the Vietnamese government had already been rewarded in August with the signing of the bilateral trade agreement.

Despite the trade agreement, the Supreme Patriarch of the Unified Church of Vietnam, is still being detained without trial under pagoda arrest. Members of the Hoa Hoa sect of Buddhism have been subjected to police surveillance and remain in jail. Members of the Cao Dai religion have had their church property confiscated. Protestants are still being suppressed through police raids, surveillance and negative propaganda.

Even foreign investors in June of this year questioned the "fanfare and hype" of communist Vietnam's reform process and issued complaints about over-regulation, inconsistent application of laws, discriminatory pricing, and government bureaucracy.

Timothy Reinhold, head of the legal working group for the private sector forum at which these concerns were raised, said: "It prompts one to ask the question whether those currently directing policy really want foreign participation in the development of the country." Further, newspaper reports cited Vietnam's Minister of Planning and Investment as "generally unsympathetic to investor complaints."

Vietnam is still one of the most repressive countries in the world which, in turn, keeps it as one of the poorest with an average annual per capita income of $330.

The most recent *Index of Economic Freedom* published by the Heritage Foundation lists Vietnam 148, out of 161 nations, in lack of economic freedom. This marks a decrease from the 1995 rating – that is, Vietnam's economy is considered to be less open today than it was five years ago.

Despite these realities, the single most powerful reason for demanding much more from Vietnam before affording it the enviable position of U.S. trading partner and preferential trade status, is the yet unresolved issue of American POWs/ MIAs.

During my investigation into the torture of American POWs in Vietnam by Cuban agents at a camp known as "The Zoo", I asked Ambassador Pete Peterson and other U.S. government officials to secure specific information and materials from the Vietnamese authorities. The response from the Vietnamese clearly depicts the unreliable, duplicitous nature of Vietnam's Communist regime.

The statement read: "The evading war of the American(s) in Vietnam had caused great damage in human lives and property to the people of Vietnam. However, with a policy of clemency and humanity, Vietnam treated the American POWs in due form. There were absolutely no cases in which American POWs in Vietnam were tortured."

Is this the type of regime the U.S. should reward? Is this a reliable trading partner? An ally?

I hope the witnesses who will testify today will address these issues, along with other concerns raised by my colleagues on these Subcommittees.

Statement by Congressman Dana Rohrabacher

House International Subcommittee on Asia and the Pacific

Hearing on US – Vietnam Trade Agreement

September 19, 2000

Mr. Chairman:

I have concerns that trade agreement negotiated between Vietnam and the United States is being hailed as a "New Beginning," before we have a chance to properly evaluate the current economic and political climate in Vietnam.

In August a draft of a key report of the Vietnamese Communist Party's five year planning Congress, as Reuters news service report, "Hails the teachings of Marx, Lenin and Ho Chin Minh and states that the world will move toward socialism in this century." In June, foreign investors at a private sector forum in Ho Chi Minh City complained that the Vietnamese National Assembly's amended foreign investment law, "started out as innovative and ended as a mere shadow of its former version, despite government pledges.

The bottom line is that there is still no credible rule of law in Vietnam. As the *Washington Post* stated on May 3, "Vietnam remains a one party state... rampant corruption retards foreign investment and... the Communist Party fears more openness to the outside world could bring in more political heterodoxy -- for which the party shows ZERO tolerance."

Last week, the Vietnamese government criticized the US Department of State's Year 2000 report on International Religious Freedom, which rebuked Vietnam as among "totalitarian or authoritarian regimes," which suppresses religious believers. With your permission, Mr.,

Chairman, I am enclosing for the record a recent Human Rights Watch report that links the ongoing persecution of dissidents and religious believers in Vietnam to the pervasive economic and political corruption. There is no free press -- all information is controlled by the state. Radio Free Asia broadcasts are routinely jammed.

A June 2000 poll of international businessmen by the respected Political and Economic Risk Consultancy Group in Hong Kong, rated Vietnam among the three worst legal systems in Asia.

Another troubling development, based on numerous reports by Western diplomats is that Hanoi has sent troops into Laos to defend the corrupt Pathet Lao regime from its internal opponents.

Contrary to claims of progress in the POW/MIA issue, Hanoi has not released the records of all prisons where Americans were held during the war.

I specifically question if, as part of the trade agreement, whether the Vietnam government is required to revoke its severe penalties for Vietnamese citizens who disclose government or state-owned companies economic statistics. I cannot advocate for my constituents to invest in a Marxist country which forcefully opposes transparency in its economic system.

Finally, since this is likely to be Mr. Roth's last appearance before our Subcommittee during this Congress, I would like to make part of the record this recent article from July 26 in the Chinese Army newspaper, which cites its "modern fortresses at sea" in the Nansha or Spratley Islands -- some of which are claimed by Vietnam. If I remember correctly, not long ago in public testimony before our Committee Mr. Roth attempted to downplay my concerns about this serious military escalation in the South China Sea.

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I strongly believe that in the future, in the face of Chinese aggression, Vietnam should be our ally. However, Vietnam's Communist leaders continue to try to emulate Beijing in order to save their repressive and dysfunctional communist system. In July Vietnam's communist leader Le Kha Phieu [Lee Ca Few] publicly stated that Beijing was Hanoi's role model. I propose that the United States should require provisions for real democratic change as an integral component for future trade relations. That would help to assure Vietnam's development as a true democratic ally in a region vital to America's economic and national security.

THE U.S.-VIETNAM BILATERAL TRADE AGREEMENT

Testimony of Ambassador Charlene Barshefsky
U.S. Trade Representative

House Subcommittee on Asian and Pacific Affairs
House Subcommittee on International Economic Policy and Trade
Washington, DC

September 19th, 2000

Chairman Bereuter, Chairwoman Ros-Lehtinen, Congressmen Lantos and Menendez, Members of the Subcommittees, thank you very much for inviting me to testify on the conclusion of our Bilateral Commercial Agreement with Vietnam, and our support for extension of Normal Trade Relations.

This July, after nearly four years of negotiation, we signed a Bilateral Trade Agreement with Vietnam. Under the Jackson-Vanik Amendment, such an agreement is necessary, together with certification of freedom of emigration, for the United States to maintain conditional Normal Trade Relations with non-market economies. This is the most comprehensive such agreement ever negotiated, covering all the major trade issues on our agenda and, when approved by Congress through extension of annually renewable Normal Trade Relations, bringing about over time significant reforms in Vietnam's trade and economic policies. As it does so, the agreement will fully normalize our trade relationship with Vietnam, contributing to a broader process of normalization with both great symbolic and strategic importance for the United States.

U.S.-VIETNAM TRADE AGREEMENT AND U.S. REGIONAL POLICY GOALS

Let me begin my testimony by placing the agreement in the context of our broader relationship with and policy toward Vietnam and its neighbors.

Our first priority, like that of previous Administrations, has been a full accounting for American service personnel listed as Missing in Action in the aftermath of the Vietnam War. As Ambassador Peterson noted in testimony before the Ways and Means Committee earlier this year, this work is proceeding with full cooperation from Vietnam, through joint field activities and review of material evidence.

With this continuing, we believe normalized ties between the United States and Vietnam, Cambodia and Laos, together with their full engagement in ASEAN and the broader Pacific economy, serves American goals in several ways.

- First, integrating these countries into U.S.-Pacific trade contributes to American strategic goals in Asia. A stable and cohesive Southeast Asia is a major contribution to peace and security in the broader Asia-Pacific region. The entry of Vietnam, Laos and Cambodia into ASEAN has already made a major contribution to this goal. A growing trade and

investment relationship with the United States, together with greater economic integration within Southeast Asia as the Indochinese nations participate in the ASEAN Free Trade Area, will continue and strengthen this trend.

- Second, we can help create substantial new trade opportunities for American businesses, farmers and working people in a region of 100 million people. Vietnam in particular, as ASEAN's second-largest country and the fourth-largest nation in Asia, has the potential to develop into a rapidly growing economy with significant demand for our products.

- Finally, our trade agreements make a contribution to economic reform and the rule of law in commercial areas in these countries. In doing so, they tend over time to reduce arbitrary state power, offer individuals greater economic opportunities and more freedom to determine their own future, complementing (although in no way substituting for) our human rights initiatives.

REGIONAL TRADE POLICY

Thus, since the mid-1990s and beginning with the lifting of post-Vietnam War trade embargoes, we have been working toward full normalization of our trade relationships with each country. Though the three economies are quite different -- Vietnam being a larger and relatively more industrialized country – each presented some similar issues:

- All had non-market economies and highly closed trade regimes;

- In the aftermath of the Cold War, all were interested in moving toward varying degrees of domestic economic reform and opening economic relations with the United States; and

-- All three, as non-market economies, were ineligible for Normal Trade Relations without negotiation of a Bilateral Commercial Agreement (BCA).

Our goal, therefore, was to negotiate agreements with each country that would lead to significantly more open markets, contribute to domestic reform and liberalization, and (assuming success in freedom of emigration in the Vietnamese case) allow us to endorse Normal Trade Relations. As with other transitional economies in Europe and Asia, we will not move on to requests for permanent NTR until Vietnam joins the WTO, a number of years from now.

CAMBODIA AND LAOS

With respect to the two smaller countries, we were able to move relatively quickly. We succeeded first with Cambodia, with a Bilateral Commercial Agreement that entered into force on the Congressional grant of NTR in 1996. As this agreement was negotiated before completion of the Uruguay Round, it is less comprehensive than the Laos and Vietnam agreements. However, it does contain comprehensive intellectual property commitments and ensures national treatment for imports.

With respect to Laos, we completed a Bilateral Commercial Agreement in 1997. This agreement, using the completion of the Uruguay Round as a foundation, is more comprehensive, covering market access for goods and services, and intellectual property rights. It has not yet come into force, however, as Laos has not yet been granted NTR by Congress. The Administration will continue to work with Members to find an appropriate vehicle and time for its implementation.

CONTEMPORARY U.S. TRADE RELATIONSHIP WITH VIETNAM

Vietnam, with nearly 80 million of the region's approximately 100 million people, is by far the largest of the three countries. Our work here has proceeded step-by-step, beginning with President Clinton's decision to authorize resumed international lending and allow US firms to join in development projects in 1993, and continuing through the lifting the economic embargo in 1994, and the opening of normal diplomatic relations in 1995. These in turn build upon earlier decisions in 1991 and 1992 to open organized travel, allow commercial sales to Vietnam for basic human needs and open telecommunications links.

These steps have enabled us to begin the development of a trade and investment relationship with Vietnam. Vietnam has become our sixth largest trading partner in Southeast Asia -- in 1999, we exported approximately $300 million worth of goods to Vietnam, with the major U.S. exports being industrial machinery, fertilizers and semiconductors; and our imports from Vietnam totalled approximately $600 million, most of this in crude oil, footwear, shrimp and coffee. A number of American firms have invested in Vietnam as well, with approximately $183 million worth of investment at the end of 1998.

Two factors have severely limited the growth of this relationship, however. First, Vietnam remains one of the very few countries which do not enjoy Normal Trade Relations Status. (These are Vietnam, Laos, Cuba, North Korea, Afghanistan and Serbia.) As a result, imports from Vietnam face Smoot-Hawley tariff levels averaging 40% – more than ten times our current applied tariff levels for countries with NTR.

Second, economic reform within Vietnam has progressed slowly, weakening the economy's overall potential and creating obstacles for American exporters. Vietnam had made a degree of progress on reform in the early 1990s. However, this has been slowed by the effects of the Asian financial crisis, as Vietnam's exports to and investment from East Asia have both dropped. Vietnam's rates of economic growth, high in the early 1990s, have slowed to 4.0 - 4.5% per year since the financial crisis.

As this occurred, the momentum of domestic reform slowed as well. This has left Vietnam with a series of policy challenges: state enterprises make up approximately 30% of GDP and are in many cases in a financially weak position, highly protectionist policies in many sectors, and non-transparent administration.

THE U.S.-VIETNAM BILATERAL TRADE AGREEMENT

Our Bilateral Commercial Agreement addresses many of these issues as it also takes up the major trade issues and sectors of concern to Americans. It thus it marks a major shift of economic policy direction for Vietnam, setting a course for greater openness to the outside world; promoting economic reform and market principles, transparency in law and regulatory policy, and helping Vietnam to both integrate itself into the Pacific regional economy and build a foundation for future entry into the World Trade Organization.

The agreement is divided into six chapters: (1) market access for industrial goods and farm products; (2) intellectual property; (3) trade in services; (4) investment; (5)business facilitation; and (6) transparency. In each case, it sets clear and specific commitments and timetables, which will go into effect after the agreement is implemented through a Congressional decision to extend Normal Trade Relations to Vietnam.

The details of the agreement are as follows.

Chapter 1. Market Access for Goods

In goods, Vietnam has committed to general trade principles consistent with WTO practices, including reducing tariffs and abolishing non-tariff restrictions such as quotas, ensuring trading rights for foreign and Vietnamese businesses, and others. Some of the major commitments include:

Trading Rights: Vietnam will grant, for the first time, rights for both Vietnamese and foreign businesses to import and export, generally phased in over 3-6 years.

National Treatment – Vietnam will apply national treatment for imports in areas including standards, taxes and commercial dispute settlement.

Tariffs -- Vietnam will guarantee MFN-level tariffs for U.S. goods, and cut tariffs on a wide range of agricultural and manufactured goods of interest to American exporters from most cases by a third to a half, from current levels averaging approximately 20%.

Non-tariff Measures: Vietnam has agreed to eliminate all quantitative restrictions on a range of industrial and agricultural products (e.g., auto parts, citrus, beef), over a period of 3-7 years, depending on the product.

Import Licensing: Vietnam will eliminate all discretionary import licensing, in accordance with the WTO agreement.

Customs Valuation and Customs Fees. Vietnam will comply with WTO rules – using transactions value for customs valuation, and limiting customs fees to cost of services rendered – in 2 years.

Technical Standards and Sanitary and Phytosanitary Measures: In accordance with WTO standards, technical regulations and sanitary and phytosanitary measures will be applied on a national treatment basis, to the extent necessary to fulfill legitimate objectives (e.g., to protect human, animal or plant life or health).

State Trading: State trading will be carried out in accordance with WTO rules (e.g., state trading enterprises make any sales and purchases only in accordance with commercial considerations).

Chapter 2. Intellectual Property Rights

Vietnam will implement WTO-level patent and trademark protection within one year, and copyright and trade secret protection within 18 months. It will also take further measures to strengthen intellectual property protection in other areas, for example protection of encrypted satellite signals.

Chapter 3. Trade in Services

Vietnam will accept the rules of the WTO's General Agreement on Trade in Services, guarantees protection for the existing rights of all foreign service providers in Vietnam, and making specific commitments in a range of sectors. Some of the major areas include:

Telecommunications – Vietnam will accept the principles of the WTO's Basic Telecommunications Reference Paper, requiring a pro-competitive regulatory regime and cost-based interconnection fees. It will also make commitments to liberalize the basic and value-added telecommunications markets, as follows:

Basic Telecom (including mobile cellular and satellite) – Vietnam will allow U.S. firms to form joint ventures four years after implementation of the agreement, with a 49% US equity limit.

Value-added Telecom – U.S. firms will be allowed to form joint ventures two years after implementation of the agreement (3 years for Internet services), with a 50% limit on US equity.

Voice Telephone services – U.S. firms will be allowed to form joint ventures after six years, with a 49% equity limit.

In all these fields, Vietnam and the U.S. will discuss a potential increase in the level of U.S. equity participation when the agreement is reviewed in three years.

Financial Services – Vietnam agreed to the General Agreement on Trade in Services financial annex, and made the following specific commitments:

Insurance: In life and other "non-mandatory" sectors, U.S. firms will be able to form joint ventures with a 50% equity limit after three years, and to hold 100% equity after five years. In "mandatory" sectors such as motor vehicle and construction insurance, U.S. firms will be able to hold 100% equity after six years.

Banking and related financial services – Vietnam has also agreed to:

Non-bank and leasing company providers: Joint ventures will be allowed on implementation of the agreement; after three years, Vietnam will permit 100% US equity shares.

Banks – US banks will be allowed to open branches in Vietnam. U.S. banks will be able to form joint ventures with equity between 30% and 49%; after 9 years, 100% US subsidiary banks will be allowed. Vietnam will also allow U.S. banks to hold equity shares in privatized Vietnamese banks at the same level as allowed Vietnamese investors. Over time, Vietnam will also allow U.S. banks to offer such services as deposits in local currency, credit cards, ATM machines and others.

Securities-related services – U.S. securities firms will be allowed to open representative offices in Vietnam.

Professional: Vietnam has made specific commitments across the range of professional services industries. These include:

Legal – Vietnam will allow 100% US equity in legal firms, including branches. Law firms opening branches in Vietnam will receive 5-year, renewable licenses, and may consult on Vietnamese laws.

Accounting – U.S. accounting firms will be able to hold 100% equity. Vietnam will grant licenses to U.S. accounting firms on a case-by-case basis for three years, with no limits afterwards. U.S. firms will be able to provide services to foreign invested firms for the first two years, and to Vietnamese firms afterwards.

Architectural – U.S. architectural firms will be able to hold 100% equity. U.S. firms will be able to provide services to foreign invested firms for the first two years, and to Vietnamese firms afterwards.

Engineering – U.S. engineering firms will be able to hold 100% equity. U.S. firms will be able to provide services to foreign invested firms for the first two years, and to Vietnamese firms afterwards.

Audio Visual – U.S. firms will be able to form joint ventures with 49% equity on implementation

of the agreement; the equity limit will rise to 51% after five years. Services opened under this commitment include film production and distribution, and motion picture projection services.

Distribution – For wholesale distribution, U.S. firms will be able to form joint ventures after three years with a 49% equity limit; this equity limit will be eliminated after six years. All U.S. retailers wishing to participate in the Vietnam market will be allowed to open one outlet, with further approvals on a case-by-case basis.

Other – Vietnam has also made specific commitments in a wide range of other services fields, including computer services, advertising, market research, management consulting, construction, distribution, private education, health services such as hospital and clinics, and the travel and tourism sector.

Chapter 4. Investment

Vietnam will make a series of commitments that will ease investment, reduce paperwork and in almost all cases ensure national treatment for foreign investors. These include protection against expropriation of U.S. investments in Vietnam, and rights to repatriate profits and conduct other financial transfers on a national treatment basis; phasing out such measures as local content requirements and export performance requirements within 5 years; ending almost all investment screening and discriminatory pricing; and reducing government controls and screening requirements for joint ventures.

Chapter 5: Business Facilitation

Vietnam will guarantee the right for U.S. persons to conduct routine business practices, such as setting up offices, advertise, and conduct market studies.

Chapter 6: Transparency and Right to Appeal

This chapter of the agreement is as significant as any in the agreement. Under its provisions, Vietnam will make an extensive set of commitments to transparency. In sharp contrast to past practices and a major reform of administrative policies, Vietnam will now provide advance notice of all laws, regulations and other administrative procedures relating to any matter covered in the agreement; publish all laws and regulations; and inform the public of effective dates and government contact points. Specific commitments include:

- All laws governing issues covered in the agreement must be made public and readily available.
- Vietnam will designate an official journal in which all such measures will be published.
- Vietnam will commit to uniform, impartial and reasonable application of all laws, regulations and administrative procedures.

- Vietnam will form administrative or judicial tribunals for review and correction (at the request of an affected person) of all matters covered in the agreement, and afford the right to appeal the relevant decision. Notice of decisions upon appeal and reasons for decisions appealed will be provided in writing.

CONCLUSION

Taken as a whole, this agreement is an historic step forward in our economic relationship with Vietnam – bringing U.S.-Vietnam trade onto the same terms we afford nearly every other country in the world, and marking an important turning point in Vietnam's domestic economic policies. Over time, it will help speed Vietnam's integration into the world and Pacific economies, and move it toward ultimate membership in the World Trade Organization.

As it promotes this transformation of our economic relationship, the U.S.-Vietnam Trade Agreement thus serves each of our major goals in Southeast Asia. Completion of this agreement, and approval of annual NTR for Vietnam, will open significant new opportunities for Americans. More important still, it will contribute to aspirations for economic liberalization and the rule of law in these countries; complement the work we are pursuing in human rights; and advance our long-term vision of a peaceful, stable Asia.

Finally, of course, this agreement marks a decisive moment in our normalization with Vietnam and its neighbors. This process, over the past decade, has contributed to the end of the Cambodian conflict; an accounting for Americans missing in action during the Indochina wars; and the reopening of hope for millions of the region's people; and Congressional approval will mark the final step in this process. When the agreement is submitted to Congress, we look forward to working with you to ensure its approval.

Thank you very much.

PREPARED STATEMENT OF STANLEY O. ROTH BEFORE THE SUB-COMMITTEE ON INTERNATIONAL OPERATIONS AND HUMAN RIGHTS, COMMITTEE ON INTERNATIONAL RELATIONS

SEPTEMBER 19, 2000

Thank you Mr. Chairman. I am pleased today to join Ambassador Barshefsky and Deputy Under Secretary Hauser to discuss the U.S.-Vietnam Bilateral Trade Agreement.,

Before beginning my remarks, I would like to express my deep appreciation for Ambassador Barshefsky's strong personal role in bringing us to this important milestone in U.S.-Vietnam relations. I know we wouldn't be sitting here today delivering this testimony without her extremely hard work in bringing a lengthy, challenging -- and, no doubt, at times a trying -- negotiation to a successful conclusion.

Mr. Chairman, the BTA is a milestone. And in the context of the slow and careful development of a fully-normal relationship with Vietnam, it's a large one. It is a milestone many of us, perhaps most of us, in this room would have expected to see receding in the rear view mirror by now. Five years ago, when initial work toward this agreement began, few of us would have believed that only now, five years later, would we find ourselves before these distinguished sub-Committees to explain our work and ultimately to seek its approval.

Mr. Chairman, I appreciate your offering me this opportunity to put the Bilateral Trade Agreement into the context of our developing relationship with Vietnam, and as part of that developing relationship, in the context also of Vietnam's continuing cooperation on MIA issues.

The focus during the President's first term was on diplomatic normalization itself. It could not proceed without Vietnamese cooperation on the central element of our relationship then, and now -- the fullest possible accounting for our missing servicemen. Three separate presidential missions were sent to Vietnam to pursue this key to normalization. The first of these, led by the Deputy Secretary of Veterans Affairs, Hershel Gober, visited Vietnam in July, 1993. The delegation included representatives from the VFW, AmVets, Disabled American Veterans (DAV) and the National League of Families. The other two missions, also led by Mr. Gober, visited in July 1994 and March 1996. In response to the second of these presidential delegations, in July 1994, Vietnam created unilateral search teams -- a point to which I'll return in a moment.

Congress, too, was involved early-on in this effort. Senior staff from the sub-Committee on East Asia and Pacific visited Hanoi in January 1994 to assess Vietnam's progress on POW/MIAs and concluded that cooperation was good.

From the start, of course, we also worked hard to resolve other central issues, including emigration and the settlement of US government property claims in the former South Vietnam, to which Vietnam agreed in 1995. The dialogue on human rights began in 1992 and has continued, and deepened.

This first phase of the Administration's approach to normalization with Vietnam culminated with the joint announcement by the President and Vietnamese Prime Minister Kiet on July 11, 1995 of the establishment of diplomatic relations. In August of that year, then-Secretary Christopher visited Vietnam and opened our Embassy in Hanoi. At the same time, Vietnam opened its

embassy here in Washington. Consulates were established in Ho Chi Minh City and San Francisco.

Vietnam and the POW/MIAs

The Administration took these steps because it was our assessment, shared by many in the Congress, that Vietnam had cleared the bar we had established to set the normalization process in motion.

There could be no relationship to build without initial progress on the key issue of accounting for our servicemen missing in action.

The focus of this Administration from the start was, first and foremost, to insist on continued cooperation from Vietnam on this front, and then, and only then, to develop other aspects of the relationship as we made progress. The quest to obtain the fullest and most comprehensive possible accounting of POW/MIAs has remained the most important issue of our policy toward Vietnam. Ambassador Pete Peterson, who has a personal as well as a professional stake in this enterprise, affirmed for members of the Ways and Means Committee earlier this year that Vietnam's cooperation remains excellent and in good faith, and that its efforts have been exemplary in pursuit of the fullest possible accounting of our MIAs.

I mentioned a moment ago Secretary Cohen's visit to Vietnam earlier this year. It was the first visit to Vietnam by a Defense Secretary since the end of the Vietnam War. Secretary Cohen's visit provided a real boost to the joint search by US and Vietnamese service volunteers for the remains of our MIAs, especially as it moves inevitably to some of the most rugged, dangerous and difficult terrain in the world -- the only places still unsearched.

Shortly after Secretary Cohen's visit, Vietnam proposed several new search initiatives, among them a desire to focus on more excavations, especially in the central region of the country. The Vietnamese also stressed that their efforts on every Last Known Alive (LKA) case would continue until all cases are resolved, and sought our views on expanding the unilateral (Vietnam only) activities begun six years earlier at our request.

We are still assessing the Vietnamese proposals made during Secretary Cohen's visit. But as we do, it is difficult not to conclude that Vietnam's record of cooperation on POW/MIA issues has been exemplary.

Vietnam and Emigration

Turning to another issue of importance to many members of the Committee and to their constituents -- emigration -- I am pleased to report, as Ambassador Peterson has before me, that Vietnam continues to live up to its commitments. In fact, progress has accelerated on these

issues since the lifting of the embargo. Vietnam's citizens are able to emigrate freely under our various refugee programs; over 1.2 million Vietnamese have resettled in the United States since 1980. Tens of thousands of these Vietnamese-Americans return annually to their homeland to visit relatives and forge ever-stronger grass-roots links between our two societies. With Vietnam's cooperation, we are now approaching completion of many of the refugee admissions categories established under the Orderly Departure Program (ODP), as well as the Resettlement Opportunities for Vietnamese Returnees (ROVR) sub-program, the Former Re-education Camp Detainees (HO) program, and the Montagnard programs.

Vietnamese progress on freedom of emigration since 1998 has demonstrated that the waiver of Jackson-Vanik is working in the way the law intended. Over the past two years, the number of Vietnamese returnees who have not been cleared by Vietnamese authorities for interviews by INS has declined from 3,463 to 201. INS has interviewed over 18,000 returnees under the ROVR program, and 15,886 have departed for the United States. The number of former re-education camp detainees not cleared for interview has fallen from 2,461 to 635. The number of Montagnards not yet cleared has dropped from 636 to 261.

If not perfect, these are still impressive numbers. And because it is likely that some of the "uncleared for interview" numbers include people who simply cannot be located, the actual situation may be slightly better than the numbers indicate. As is, the numbers reflect our assessment that Vietnam's cooperation on emigration issues has been good. We nevertheless are committed to ensure that all eligible applicants have the opportunity to be interviewed and, if approved, to depart for the United States.

Second term

The focus during the President's second term in office has been to develop a functioning relationship from the fledgling start we had made and, especially, to intensify the effort to thrash out differences on important issues that continued to stunt the development of a fully-cooperative and normalized relationship. Put another way, we moved from diplomatic normalization to diplomatic engagement.

In addition to our continued emphasis on POW/MIA and emigration issues, we broadened our focus to other topics, including pressing the Vietnamese harder on human rights and humanitarian issues and promoting economic reform.

Vietnam and Human Rights and Humanitarian Issues

Improvement of human rights has been, and will remain, an important part of our policy toward Vietnam. In announcing the signing of the Bilateral Trade Agreement, President Clinton said, "We hope expanded trade will go hand in hand with strength and respect for human rights and

labor standards. For we live in an age where wealth is generated by the free exchange of ideas and stability depends on democratic choices." The Secretary of State, Ambassador Peterson, Assistant Secretary Koh, Ambassador Seiple, and I have all delivered similar messages to Vietnam's leaders and its people. And we will continue to do so because Vietnam, while it has made some progress, is nowhere near meeting international standards on human rights. A look at this year's human rights report will provide anyone interested -- and I believe I can include all of us in this room in that category -- with a long list of Vietnam's shortcomings. No one in Vietnam, be they government or dissident, has any doubt where we stand.

That said, our activities are having a positive impact on Vietnam's attitude toward human rights. They are changing -- slowly. Our human rights dialogue, begun in 1992, is beginning to yield some results. In June, we held annual high level discussions with Vietnamese officials here in Washington. Our sense was that these talks, held for the first time at the Assistant Secretary level and led by Assistant Secretary Koh on our side, were productive. Ambassador-at-large for Religious Freedom Robert Seiple also participated in the Vietnamese visit, which featured meetings with international human rights NGOs. Secretary Albright raised human rights issues prominently in her discussions with Vietnam's senior leadership last year and in her earlier visit in 1997.

Since normalization began, Vietnam's central government has substantially reduced its intrusive behavior, and it is beginning to restrain heavy-handed provincial governments. "Block Wardens" no longer closely monitor everyone's activities. Vietnam has released 20 religious or political prisoners from jail so far this year, including 12 Hmong Protestants and three Catholic priests. Dissidents released from prisons still face harassment, but they can meet outsiders and supporters. Without a doubt, greater freedom of religious expression and worship exists in Vietnam than during the two decades after 1975. Vietnam is also making progress toward meeting international standards on workers' rights. We expect further progress in the near future.

In no small part, the progress we have seen can be attributed to Ambassador Peterson's persistent pursuit of our concerns, to our annual human rights dialogue, and to Ambassador Robert Seiple's advocacy for greater religious freedom. We can also credit cooperation between the Congress and the Executive. Members of the House and of these sub-Committees have engaged on these issues to great effect with Vietnamese leaders, making clear the bipartisan support for promoting progress on human rights.

Vietnam and economic and trade issues

Another important objective of our effort to engage Vietnam was, of course, economic and trade reform, the focus of our discussions today.

The testimony you have just heard from Ambassador Barshefsky ably documents our engagement with Vietnam on economic and trade reform leading to the BTA. I cannot improve on the specifics of what's been said in this regard. But I can share with you our broader

objectives in pursuing economic and trade reform with Vietnam, and how these objectives complement our larger foreign policy objectives, especially in the Asia-Pacific region.

The BTA is not only the result of intensive engagement, it is also the vehicle for further engagement. Vietnam's emergence into the regional and global community as a peaceful, prosperous and democratic state cannot possibly be complete until it has granted its own people the rights and freedoms they are owed.

The Bilateral Trade Agreement is very much in our national interest because it will lock Vietnam into a broad band of commitments that will strengthen its private sector. A stronger private sector will allow ordinary Vietnamese greater ability to determine their own economic future. Provisions in the agreement require Vietnam to extend trade and distribution rights to every citizen. The freedom to make individual economic decisions is one of the many individual freedoms we have been encouraging Vietnam to grant to its people.

Conclusion

Since diplomatic normalization, the overall objective of our Vietnam policy has been to encourage the emergence of Vietnam as a stable, prosperous, and open participant in the region. This kind of Vietnam -- fully engaged and integrated in the region -- would become a more vigorous and influential partner, working with us and with its neighbors to foster regional stability and manage regional problems. It would have a dynamic economy which could offer its citizens an improving standard of living, attract imports and investments, and export its own products competitively. This kind of Vietnam would be not only secure and prosperous itself, but would, through its own security and prosperity enhance the security and prosperity of its neighbors.

That kind of Vietnam does not yet exist, but it is moving closer to these goals. And engagement is the vehicle in which it is moving. We have been engaging Vietnam at every level and at every available opportunity to manage, if not resolve, specific differences and identify and expand issues on which we take a common approach. The Bilateral Trade Agreement is a paramount example of this effort.

Vietnam needs competitive access to the U.S. market to attract the foreign direct investment, technology, and knowledge it requires to employ its rapidly growing workforce, the key to achieving prosperity. Only a prosperous Vietnam can become a major consumer of U.S. goods and services.

Recently, Ambassador Peterson described to me some developments that indicate the kind of Vietnam we could be looking at in the very near future. I was most struck by his description of the "cybercafe phenomenon." Thousands of young Vietnamese are accessing the internet at scores of cybercafes across the country. They are obtaining and exchanging information, and

many are doing so by finding innovative ways to circumvent the layered firewalls conservative elements of Vietnam's government have placed on internet access. This story reflects the thirst of Vietnam's young people for a tangible connection to the world beyond their borders; I think it also underscores the tremendous future export and investment opportunities available to America's technology companies.

Our regional allies and partners are also working toward the end of integrating Vietnam into the regional community. And the Vietnamese recognize the importance of the process. Shortly after the signing of the Bilateral Trade Agreement, Vietnam Trade Minister Vu Khoan observed that when the agreement enters into force, Vietnam would at last be equal, in terms of competitive access to the U.S. market, to America's oldest friends within ASEAN.

Vietnam's entrance onto a more level playing field will foster its more active participation in forums, such as ASEAN and APEC, in which countries are cooperating to expand trade and investment, to eliminate barriers, and to offer businesses and workers greater commercial opportunities. Both ASEAN and APEC offer Vietnam, which joined ASEAN in 1995 and APEC in 1998, access to a wider peer group of countries that can serve as role models.

Let me close by sharing a thought from one of Vietnam's leading independent voices about the BTA. Dr. Nguyen Dan Que, Vietnam's most visible dissident, recently told one of our diplomats in Vietnam that "opening the country economically will increase the people's power to make their own economic decisions. Integrating into the global economy and increasing contact with developed countries will increase the people's awareness of what it means to be modern. The sooner the trade agreement is ratified and put into effect, the better."

I heartily agree with Dr. Que, a man whom I greatly admire and respect. Now it is the United States Congress that stands at a crossroads on Vietnam policy. Implementation of the BTA is the key to achieving our goals. We are urging Vietnam to ratify the BTA as quickly as possible. When it is submitted to the Congress, I would strongly urge the House to keep America consistent with our values and our national interests by quickly approving the BTA.

Statement of Timothy J. Hauser
Deputy Under Secretary for International Trade
U.S. Department of Commerce

Testimony Before the Subcommittee on Asia and the Pacific
of the House Committee on International Relations

Hearing on Trade Relations between the United States and Vietnam
"Prelude to New Directions in U.S.-Vietnam Relations: The 2000 Bilateral Trade Agreement"

September 19, 2000

Introduction

Thank you, Mr. Chairman and members of the subcommittee for your invitation to the Department to testify before you today. I am extremely pleased to represent the Department of Commerce before this subcommittee.

Assistant Secretary Roth and Ambassador Barshefsky have already addressed the evolving relationship between the United States and Vietnam and the Bilateral Trade Agreement (BTA). I would like to focus on the economic and commercial aspects of our normalizing relationship, and how they permeate all other aspects of our bilateral relations.

Change in Vietnam

Vietnam is changing in fundamental ways, and U.S. policy is providing both the catalyst and the framework for this sea change. The catalyst is the promise of economic success; and the framework is the BTA. I've been watching this process of change closely since the spring of 1996, when I led the first U.S. Government trade mission to Vietnam. More recently, our Deputy Secretary Robert Mallett, experienced this palpable energy of change last month when he went to Vietnam. It was the first high-level USG visit to Vietnam following the signing of the BTA on July 13. I would like to share a few of our impressions of this process of change with you as I talk about the evolving commercial landscape in Vietnam.

To be sure, the BTA itself was more than 4 years in the making, and, as Ambassador Barshefsky noted, there are phase-in periods for Vietnam to make the needed structural changes. Change does not come quickly or suddenly there. But the Administration's steadfast policy based on constructive engagement is paying good dividends. In hindsight, the years of protracted negotiations were themselves an education process that gave the Vietnamese government the time it needed to come to a consensus on the pace and scope of economic reform. As such, this process helped build a basis for the implementation of the provisions of the Trade Agreement once it enters into effect, as well as for taking further steps toward WTO accession.

During the Deputy Secretary's visit, he met a broad range of American and Vietnamese business executives and Vietnamese officials. To a person, they were enthusiastic about the signing of the BTA. While they understand and accept that final approval of the trade pact is due to the constraints of the Congressional calendar, all await the potential benefits of the BTA's entry into force.

The renewed enthusiasm is reminiscent of the euphoria over the lifting of the embargo and the establishment of diplomatic relations in 1994-95. I saw this enthusiasm in 1996, and I am seeing it again today. Now, as they were then, companies are attracted to this "new frontier" by very attractive fundamentals of a young and industrious population, the world's 13th largest at 77 million, and a good base of natural resources.

Over the intervening four years, it is true that a number of companies became disillusioned by the difficulty of doing business and turning a profit in an economy in transition. An economy where the cost of doing business is extremely high and government policies are often schizophrenic, reflecting Vietnam's self-described "multisectoral economy, operating on market-based principles under state management and with a socialist orientation." The Asian Financial Crisis compounded the difficulties for all parties involved, but also helped focused the Government of Vietnam's attention on the need for economic reform, if only to maintain precipitously declining foreign direct investment.

But I believe the renewed business enthusiasm for Vietnam that we are now seeing is fundamentally different from the unsustainably high expectations of the first wave. American firms are taking a second, more realistic, look at this challenging market. Our businesses – which as a result of the embargo were playing catch up with companies from other countries – have gained in-country experience over the past five years that will be invaluable to their future competitiveness in the Vietnamese marketplace. We saw this last month in the discussion the Deputy Secretary had with members of the 400-strong American Chambers of Commerce in both Hanoi and Ho Chi Minh City. These pioneering businesspeople have experience-based optimistic, but realistic, expectations of business opportunities in Vietnam.

On the Vietnamese side, we also see very encouraging developments. Government officials who hosted the Deputy Secretary, including the Deputy Prime Minister and other cabinet Ministers, all pledged support for the implementation of the BTA. The Vietnam Chamber of Commerce and Industry strongly supports the agreement as well. And, in a telling indicator of the interest in change in Vietnam, the Vice-Chairman of the People's Committee of Ho Chi Minh City gave the Deputy Secretary a PowerPoint presentation of his brain child, a software city that he hopes to put into operation with the help of an American company. In recent days, Vietnam's first Securities Exchange, eight years in the making, opened in Ho Chi Minh City. And roundtable discussions with young Vietnamese entrepreneurs in Ho Chi Minh City show a people who are confident in their ability to compete in the global market place. None of this existed five years ago.

The signing of the BTA was, without question, the single most significant indication of the direction Vietnam is taking toward the future. This bold decision proved conclusively that the significant portions of Vietnamese leadership which are favorably disposed toward a more liberal economic regime are alive and well, and have won support for the BTA. Approval and implementation of the BTA is critical to the continued health and influence of these forces, and their ability to undertake greater reforms, including progress toward Vietnam's accession to the WTO.

Just as the BTA provides the much needed framework for economic normalization between the United States and Vietnam, commercial activities are the glue that holds the relationship together and gives it life. Trade and investment activities take on dimensions far beyond profit-making purposes. American companies now have opportunities to build relations that have never before existed in the history of U.S.-Vietnam relations. Their success can bring positive changes to all aspects of the new bilateral relationship, including sensitive areas such as human rights and religious freedom. They are already well-recognized as the best employers. Our business community is playing a key role in fostering the new relationship. Indeed, it is a major force in helping the Vietnamese realize their goal of becoming "a rich people, a strong country, and a civilized society."

But we are under no illusions about this new relationship. Vietnam is still a country in transition. Much work remains to be done in the implementation of the BTA. Progress will not be easy, fast, or necessarily even smooth, but it will be unstoppable. Liberalization will take place faster in some sectors (insurance) than others (telecommunications). Vietnam is now on the path toward integration into the global economic community. Signing the BTA was a significant step down that path, but implementation is the key to that journey.

The Commerce Department will work with USTR to monitor implementation of the agreement. We will work with our embassy staff in Hanoi, our consulate in Ho Chi Minh City, other USG agencies, and U.S. companies and business organizations to see that Vietnam adheres to the commitments that it has made. As leading members of Congress have noted before, it is important to do the hard work of monitoring the agreements and determining the degree to which countries comply with them. Key areas we will focus on include:

- Customs: Vietnam has agreed in the BTA to comply with WTO rules, such as using transactions value for customs valuation, in two years. Timely customs clearance is important to expanding market access for U.S. companies in Vietnam.

- IPR: The protection of IPR is a priority market access issue for U.S. firms around the world. Vietnam has committed in the BTA to full TRIPs-level patent and trademark protection in 12 months, and full TRIPs-level copyright and trade secrets protection in 18 months. We will be monitoring this closely.

- Business Facilitation: The BTA ensures that U.S. persons can conduct routine business practices, such as setting up offices, advertise, and conduct market studies. These are the kind of day-to-day doing business issues that we take for granted, but that can be very

complicated in Vietnam. Our Commercial Service presence in both Hanoi and Ho Chi Minh City will greatly enhance our ability to work with the U.S. business community to monitor these important provisions of the BTA.

But we also need to help the Vietnamese make the agreement work. During the BTA talks, our negotiators told the Vietnamese side that the U.S. would help them implement the provisions of the agreement with phase-in periods and technical assistance. Deputy Secretary Mallett reaffirmed this commitment during his visit. Commerce has already undertaken a range of technical assistance initiatives in a number of disparate areas. For example, I signed the memorandum on cooperation on commercial law development during my visit in 1996. Since then, Commerce has provided assistance in other areas, such as insurance regulations, standards workshops, IPR training, and meteorological and fisheries cooperation.

To date, most of these efforts have been done on an ad-hoc basis. We need to do more. A comprehensive, targeted technical assistance program would be a key investment in this new relationship. The fundamental reforms that Vietnam has committed to in the BTA will not be easy, and will require a deeper and fuller understanding of how a government regulatory system functions in a more market-oriented economy. Elements of an assistance program could be shaped so as to raise Vietnamese officials and business people's understanding of the BTA and help ensure full and timely compliance with provisions of the agreement. Clearly, Vietnam needs our assistance and we need to think creatively about how the Government and the private sector can work together to ensure that an effective technical assistance program is developed and implemented.

Conclusion

The newly-signed U.S.-Vietnam Bilateral Trade Agreement provides us with a solid foundation upon which we can explore new directions for U.S.-Vietnam relations through mutually beneficial and equitable commercial trade and investment. When the BTA is submitted to Congress, I hope that the BTA will enjoy the same strong support as the Jackson-Vanik waiver did last July.

Thank you.

# # #

Questions Submitted for the Record By
Chairman Douglas Bereuter
Ambassador Charlene Barshefsky
House International Relations Subcommittee on
Asian and the Pacific
on Vietnam Trade Agreement
September 19, 2000

1. **Can you explain the major differences between the final trade agreement signed on July 13, 2000 and the "agreement in principle" reached in July 1999? For example, I am told that U.S. negotiators abandoned their demand for a majority (51%) stake in certain parts of the Vietnamese telecommunications sector. In exchange for this compromise, what did the U.S. receive?**

   What other differences were there and why did we agree to these changes? Are there other areas in which the U.S. position was improved?

   Answer:

   The 1999 agreement in principle was the substantive framework for a final trade agreement with Vietnam. Vietnam was unprepared to sign a final agreement earlier for, we believe, internal political reasons. When it was ready to sign, this framework agreement needed to be specifically memorialized in the 150 page legal text that was finally signed. The final agreement is, with the exceptions noted below, reflective of the agreement in principle.

   Some rebalancing occurred with respect to certain services to provide for earlier phase-in of U.S. equity participation in exchange for caps on permissible equity levels, at least in the early years. Specifically, we obtained new commitments from Vietnam to accelerate phase-in dates for allowing U.S. joint ventures in the telecommunications, architectural, engineering and computer services. In exchange, the equity levels allowed for U.S. firms in the telecommunications sector that would have applied in the longer term were adjusted downward. The accelerated phase-in of initial commitments in the telecom sector provided earlier opportunities for equity participation than would have been available under the "agreement in principle" reached in July 1999. In addition, we secured from Vietnam an explicit commitment in the agreement to review the allowable equity levels for U.S. companies in this sector in three years, when the agreement comes up for renewal under our law.

What was the reason for the delay of almost a year between reaching the "agreement in principle" and the final agreement?

Answer:

After the agreement in principle was completed in July 1999, the United States was prepared to sign the agreement immediately, and in fact arranged for a signing at the APEC Leaders meeting in New Zealand in September 1999. However, the Vietnamese government was not prepared to sign at that time. We understand that Vietnam needed to conduct additional internal deliberations on the agreement, and for most of the intervening year, we simply waited for a positive signal from Vietnam that it was ready to sign the agreement. That signal finally came when in mid 2000, when Vietnam's trade minister agreed to negotiations in Washington, which resulted in the signing in July.

2. **To what extent is this agreement unusually favorable for U.S. companies, in that it would give U.S. companies benefits and rights that other foreign companies will not have in Vietnam?**

Answer:

As your question indicates, this agreement is unusually favorable for U.S. companies because all of the agreement's obligations -- from market access for industrial and agricultural goods, to protection of intellectual property rights, to market access in key services sectors – are bilateral and therefore apply only to U.S. persons and firms, not firms from third countries. Moreover, it is the first comprehensive bilateral trade agreement, including goods, intellectual property rights, services, and investment, that Vietnam has ever done. (Its prior agreements, with trading partners such as the EU and Japan, are quite limited.) Vietnam may of course decide as a matter of bilateral relations to apply the rights contained in the agreement to other countries.

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VIETNAM

THE SILENCING OF DISSENT

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Appendix C: Letter of Protest to the Government of Vietnam from Nguyen Thanh Giang

I. SUMMARY

Twenty-five years after the reunification of Vietnam, the country remains under the close control of the ruling Communist Party of Vietnam (CPV). Increasingly though, recent years have seen a progressive opening up of the country to the international community and a quickening pace of economic and social change. These years have also seen improvements in human rights, with the release of tens of thousands of political detainees and re-education camp inmates, the return of thousands of Vietnamese who had fled abroad as refugees, and increased willingness on the part of the government to cooperate with the U.N. on human rights issues.

At the same time, significant human rights problems remain. The Socialist Republic of Vietnam retains a decidedly anachronistic emphasis on suppressing those groups and individuals that it perceives as a political threat. Authorities continue to take strong action against those who criticize the Party or speak out in favor of pluralism and democratic change. These include, in particular, high-ranking dissidents from within the CPV, long-time critics from the academic community, members of the press, and religious leaders whom the government fears may be able to attract large followings. Such individuals are less frequently imprisoned than in the past. Instead they are subjected to less overt forms of harassment and intimidation, including constant surveillance and severe controls on their freedom of movement or ability to work. The threat of imprisonment remains real for those who go too far in challenging the Party's authority.

The government's continuing anxiety in the face of dissent is, in part, a response to the pressures caused by opening up the economy to foreign investment in the late 1980s and early 1990s. It also reflects a broader concern on the part of the Party's leadership to protect its political power, and the access to privileges and wealth that this brings. Tensions have been further exacerbated by the recent economic downturn, which seriously affected Vietnam as well as other countries in Asia, and a fractious debate within CPV leadership circles about the need to tackle corruption and whether to introduce new social and economic reforms.

As a state party to the International Covenant on Civil and Political Rights (ICCPR) since 1982, Vietnam has a treaty obligation to respect and promote the rights set out in the Covenant. Increasingly, the government has shown itself willing to engage with the relevant institutions of the U.N. in order to address certain of these rights: this is to be greatly welcomed and encouraged. It has accepted a significant monitoring and aid presence by the United Nations High Commissioner for Refugees in order to facilitate the return and resettlement of refugees. The government has also permitted visits to Vietnam by the U.N. Working Group on Arbitrary Detention and by the U.N. Special Rapporteur on Religious Intolerance, although in both cases these visits were carried out under close government supervision, access was limited, and the Vietnamese government subsequently repudiated the U.N. experts' findings. Prisoners held on account of their political or religious opinions continue to be among those released in presidential amnesties, as in September and November 1998, when twenty-four political and religious prisoners were released.

Despite these positive developments, the government's performance continues to fall far short of the standards required under the ICCPR. Freedom of expression, free association and other basic rights are still severely constrained, and those who criticize the government, establish independent political organizations, adhere to particular religious groups, or seek to monitor and report on human rights continue to be imprisoned or subjected to other forms of harassment and intimidation at the hands of the state.

The government's present strategy towards its critics appears to be to isolate, harass, and place them under heavy surveillance rather than to imprison them, thereby drawing less international condemnation. Several key critics of the regime remain under house arrest or, in the case of

Buddhist dissidents, confined to their pagodas. Other dissidents and former political prisoners are refused residence permits and are prohibited from traveling, while neither they, nor war veterans, religious leaders, or workers are allowed to form independent organizations that could compete with party-controlled mass organizations.

Public opposition within the Vietnamese Communist Party is also discouraged. The expulsion from the Party of Vietnam's highest-ranking dissident, Tran Do, a former general, in January 1999 set an example for others, as did official directives issued in May 1999 that prohibit Party members from issuing statements critical of the Party.

The government also continues to use existing laws, and to pass new ones, which contravene the standards laid down in the ICCPR and other international human rights norms. Legislation remains in force that authorizes surveillance of released prisoners convicted of national security offenses and the arbitrary "administrative detention" of anyone suspected of threatening national security, with no need for prior court authorization.

Vietnam's domestic media remains under strict state control. A new press law passed in May 1999 effectively encourages media self-censorship by requiring journalists to pay compensation or publish retractions not only for inaccurate stories but for all writing deemed to violate the "honor of any organization or the dignity of any individual." Critics consequently have few sanctioned outlets for independent expression. Communication among dissidents and between them and the outside world is hampered by interception of mail, blockage of telephone lines, and suspension of Internet accounts. When dissidents do speak out in criticism of the Party or call for democratic reforms, they are subject to interrogation by officials and heightened monitoring of their activities.

Despite these ongoing concerns, there can be little doubt that important human rights improvements have occurred in Vietnam in recent years. During the first fifteen years after re-unification, the country's prisons and re-education camps were filled with thousands of real and perceived opponents of the government. The great majority of these have since been released but some remain - precisely how many, Human Rights Watch is unable to estimate with accuracy. The true number of those still being held in prison, house arrest or other forms of detention or restriction as critics or opponents of the government, or because of their religious opinions, is known only to the government.

This twenty-fifth anniversary of the country's reunification offers an important opportunity for the Vietnamese government to reaffirm its commitment to human rights, and its treaty obligations under the ICCPR. Accordingly, Human Rights Watch urges the government to release unconditionally all those currently being imprisoned, detained or restricted on account of their peaceful exercise of their rights to freedom of expression or belief and to take other steps necessary to bring Vietnam's law and practice into full conformity with its international human rights obligations. Human Rights Watch also urges the international community, notably the governments of countries enjoying close diplomatic, trade or other relations with Vietnam, to support such reforms.

II. RECOMMENDATIONS

To the Government of Vietnam:

Release immediately and unconditionally all persons who are being imprisoned or detained

for peacefully expressing their religious or political views. (See Appendix 3 for a partial list of political prisoners.)

Lift restrictions and cease harassment and surveillance of released political prisoners and religious leaders such as Nguyen Dan Que, Vu Huy Cuong, Nguyen Thanh Giang, Hoang Tien, Tran Do, Pham Que Duong, Duong Thu Huong, Phan Dinh Dieu, Hoang Minh Chinh, Nguyen Ho, Bui Minh Quoc, Ha Si Phu, Tieu Dao Bao Cu, Nguyen Ho, Le Quang Liem, Nguyen Thi Thu, Thich Huyen Quang, Thich Quang Do, Thich Nhat Ban, Thich Tue Si, Thich Tri Sieu, Thich Khong Tanh, Father Chan Tin, and Nguyen Ngoc Lan.

Cease arrests, harassment, and arbitrary detention of individuals based on their religious beliefs. Implement the recommendations made by Abdelfattah Amor, the U.N. Special Rapporteur on Religious Intolerance, in his December 1998 report, including his recommendation that people imprisoned for their religious beliefs, upon their release from prison, should be allowed to resume their religious activities in full freedom and with full rights of citizenship, obtain residence permits, and have their property restored to them.

Uphold the government's obligations under the International Covenant on Civil and Political Rights, ratified by Vietnam in 1982, and Vietnam's 1992 Constitution, to respect freedom of opinion and expression, including press freedom, as well as the rights to peaceful assembly, freedom of association, and other fundamental human rights.

Amend, revise or repeal domestic laws and regulations that impose restrictions on these rights in order to bring them into compliance with international law. Eliminate ambiguities in the Criminal Code's section on crimes against national security to ensure that these laws cannot be applied against those who have merely exercised their basic right to freedom of expression.

Repeal Administrative Detention Directive 31/CP, which authorizes village-level People's Committee and Public Security officials to detain individuals without trial for between six months and two years if they are deemed to have violated national security laws. The government should ensure that all detainees receive a fair trial within a reasonable time as required under international law.

Repeal the 1999 press law and the 1993 Law on Publications and lift other restrictions on press freedom which limit the right of the domestic and foreign press to report independently and accurately without penalties or censorship.

Allow access by humanitarian organizations and independent monitoring groups to Vietnamese prisons and implement the recommendations made to the Vietnamese government in 1994 by the U.N. Working Group on Arbitrary Detention. The Working Group called for better compliance with the U.N.'s Standard Minimum Rules for the Treatment of Prisoners, greater transparency in the government's administration of detention facilities, and for the provision of adequate food and immediate medical treatment to all detainees.

To the international community and foreign aid donors:

Press Vietnam to release all political and religious prisoners, and to cease surveillance and

harassment of dissidents including those released from prison or detention.

Support Vietnam's process of legal reform but call on the Vietnamese government to introduce legislation that guarantees, both on its face and in its application, the rights to freedom of opinion and expression, assembly, and association, and specifically to repeal Directive 31/CP on administrative detention.

Provide technical assistance - both bilateral and from the World Bank - for legal reforms including reforms of criminal, press, and national security laws and not only lawsw dealing with commercial matters.

Encourage Vietnam to achieve greater transparency and accountability in its legal and penal systems and continue to press for the establishment of an independent and impartial judiciary. Press for access for international observers and independent monitors to trials and persons held in prison or administrative detention.

Urge the Vietnamese government to end its censorship and control over the domestic media, including electronic communications, recognizing that a free press is essential in promoting civil and political rights.

Urge the Vietnamese government to implement the recommendations made by the U.N. Special Rapporteur on Religious Intolerance.

III. REPRESSION OF DISSIDENT VOICES

The Vietnamese government tolerates little public criticism of the Communist Party or statements calling for pluralism, democratic reforms, or a free press. A common refrain by officials quoted in the state-controlled media is the need to rid the country of "hostile forces" and thwart "peaceful evolution" (a term used to deride those who allegedly seek to undermine or discredit communism by employing "Western" values of democracy and human rights). An example is the statement by CPV ideology chief Huu Tho in 1999: "Hostile forces from outside collaborate with bad, opportunistic elements from inside seeking to transform and derail socialism."

Despite Vietnam's launching in 1986 of "*doi moi*," the economic renovation process, international donors to Vietnam remain frustrated with the slow rate of economic reform. Party leaders seem more intent on silencing dissent and retaining control, however, than addressing the economic and human rights concerns raised by donors or by Vietnamese dissidents and rural farmers brave enough to speak out. Indicating the mindset of the conservatives in power, in February 2000 Party General Secretary Le Kha Phieu denounced "imperialism" for widening the gap between rich and poor countries and stated: "We are renovating, but we are determined not to change color. The difficulties and challenges will not force us to diverge from the path of socialism."

Vietnam's economic reform program has slowed not only because of the Asian economic crisis but also because of splits within the Communist Party's leadership, which is clearly uncertain as to how far it should open up the country to the West. The nineteen-member Politburo has been unable to reach consensus on such key issues as whether to move forward with a trade agreement with the U.S that has been stalled since July 1999. The Politburo has been paralyzed by the divide between those who advocate economic reforms along the lines proposed by the

international donors and those who favor a more conservative and ideological approach, which is less threatening to their own assets as well as their political interests. There is concern that economic reform will jeopardize the position of state-owned enterprises which will find it more difficult to compete with foreign companies. Political hardliners also fear that proposed economic reforms could weaken the Party's control at a time when it faces increasing rural unrest due to corruption and the widening economic gap between rural and urban dwellers.

Corruption remains a serious and widespread problem and has been repeatedly raised as an obstacle to development by the World Bank and Vietnam's bilateral donors. In response, the government has taken various actions, including highly publicized purges of allegedly corrupt officials, but these have so far failed to convince either domestic or international critics of the government's sincerity. In early 1999 the Communist Party discussed the need for a "self-criticism campaign" to root out corruption and, in May 1999, CPV Secretary General Le Kha Phieu ordered the anti-graft campaign to begin in earnest. The same month, the country's largest corruption trial, the Minh Phung-Epco trial, began in Ho Chi Minh City against defendants accused of defrauding the government of VND 5,186 billion (approximately U.S. $350 million). This concluded in August 1999, with the conviction of seventy-seven defendants, four sentenced to death.

The corruption purges continued and affected senior officials in the hierarchy, several of whom were dismissed in November 1999 for mismanagement, including Deputy Prime Minister Ngo Xuan Loc, former central bank governor Cao Sy Kien, and former customs chief Phan Van Dinh. Another 1,500 officials have been suspended or disciplined since the anti-corruption campaign began.

Many of the top leaders targeted in the purges, however, were allied with those advocating economic reforms, such as Premier Phan Van Khai. Most hardline conservatives within the Party have been largely unaffected and appear virtually unaccountable. The sincerity of the anti-corruption campaign was questioned in a January 2000 article in the *Sai Gon Gia Phong* newspaper, which reported that only a small fraction of the Party's membership had been affected by the purge. Fears have also been expressed that those who speak out against corrupt officials as part of the anti-graft campaign may later come under attack and be labeled as dissidents themselves.

From 1975 until the late 1990s, many of those who opposed or criticized the government or called for pluralism and democratic reforms were imprisoned or sent to re-education camps. Nowadays, however, the Vietnamese government appears keen to avoid the international opprobrium that such overt repression provokes and to prefer to use other, less obvious means to try and silence key political and religious dissidents. Those who go too far in criticizing or confronting the government, however, still risk being subjected to house arrest, administrative detention or prison sentences.

It remains extremely difficult to estimate the number of those currently imprisoned in Vietnam because of their political or religious beliefs. The government rarely discloses information about them and does not allow independent monitoring of its prisons. However, Colonel Do Nam, director of the Public Security Ministry's Prisons Management Department, stated in March, 2000 that Vietnam's prison population included more than one hundred people convicted of crimes against national security alone. This figure could include many people imprisoned for their political or religious beliefs, while other such prisoners may also be serving sentences imposed under different laws. According to Col. Nam, 78,000 people were then imprisoned in Vietnam, including 70,000 in forty-eight prisons under the Public Security Ministry, 7,000 in

provincial detention camps, and 1,000 in Ministry of Defense Prisons. While as many as seven thousand prisoners were expected to be released in the amnesty scheduled for April 30, at the time this report was prepared, it was unclear whether these would include political prisoners, and, if so, how many. Previous amnesties, which have mostly resulted in the release of ordinary criminal prisoners, suggested it would be unlikely that a significant number of political prisoners would be among those freed.

Monitoring of Former Political Prisoners

Under Article 30 of Vietnam's criminal code, people convicted of national security offenses can be placed under the supervision and surveillance of local authorities for a probationary period of up to five years after release from prison. Formerly imprisoned political dissidents and re-education camp inmates, including religious dissidents, appear to be routinely subjected to such monitoring.

Many former political prisoners, particularly those who attempt to speak out, are regularly summoned for questioning by police or local officials. Their publishing rights are denied, friends and neighbors are discouraged from meeting them, their mail is intercepted, and their telephone lines are blocked. Others are forced into retirement or lose their positions in the government. Many have been denied household registry documents, which are required not only to legally reside in one's home, but to lawfully hold a job, attend a state school, receive public health care, travel, vote, or formally challenge administrative abuses. Among the political prisoners released in 1998 who were denied these residence permits were Dr. Nguyen Dan Que, Thich Quang Do, Thich Tue Sy, and Thich Khong Tanh. Thich Nhat Ban, a Buddhist monk released in October 1998, commented that he has been released from a "small prison only to enter a larger one."

Dr. Nguyen Dan Que, a leading dissident, has lived under close and constant surveillance since his release from prison in 1998. Police officers regularly visit his house, particularly when he has visitors. An endocrinologist and the first Amnesty International member in Vietnam, Dr. Que has spent much of the last twenty years in prison. His most recent period of imprisonment began when he was arrested in June 1990 after making a public appeal for political pluralism and respect for human rights; he was then held in Xuan Loc labor camp in Dong Nai province. When he was released from prison in 1998, he decided to remain in Ho Chi Minh City rather than leave the country. Yet, he remains unable to work because the authorities have not restored his license to practice as a medical doctor, and he is unable to travel because he has not been issued a residence permit. His neighbors and friends are regularly warned by the authorities to stay away from him, further isolating him. His telephone connection has been blocked and his Internet account suspended since May 1999, when he issued a communiqué by E-mail calling for democratic reforms. Despite this constant harassment, Que still manages to make public statements from time to time.

Stifling Dissent from within the Party

Government authorities are particularly sensitive to opposition from within the Vietnamese Communist Party, which ranges from those who completely reject Communism, to those who wish to retain a socialist system but seek to reform the Party from within, to those who criticize the Party primarily because they are frustrated with its endemic corruption.

A highly respected retired general and former chief of the Communist Party Ideology and Culture Committee, Tran Do was expelled from the Party in January 1999 because of his open criticism of it. He is now largely off limits to foreign press and diplomats. Since his expulsion, his phone line has been monitored and the connection often cut. In addition, his house has been placed under surveillance by undercover security police, who also follow him when he leaves it. In April

1999, the government turned down a request by Tran Do to be allowed to publish a private newspaper (See Appendix 1, Tran Do's application to publish a newspaper and the response from the Ministry of Culture and Information).

Tran Do has issued periodic critiques of the Party since 1995, but from 1998 they became much more pointed, and he issued a series of open letters to the Party leadership challenging its concentration of power and calling for democratic reforms and freedom of expression.

Popular novelist Duong Thu Huong, detained in 1991 for seven months for "sending seditious documents abroad" (that is, the manuscript for her novel) is also considered a threat because of her connections to the Party and the fact that several of her novels, which are critical of the government, have been translated into English and widely sold abroad. The authorities have refused to issue her a passport, making it impossible for her to travel abroad to attend international writers' conferences to which she has been invited.

Nguyen Ho, a former prominent Party member, war hero, and founder of the Club of Former Resistance Fighters, has also called publicly for greater democracy and the need to expose abuses within the Party. Since February 1996, he has been held under unofficial house arrest: police are stationed at his house to bar all visitors. Like other dissidents his telephone line is cut. He was previously held under house arrest from September 1990 to May 1993, and again since February 1996.

Hoang Minh Chinh, a former high-ranking Party cadre and former director of the Marxist-Leninist Institute, was detained in Hanoi in 1995 for allegedly propagating "anti-socialist propaganda." This was the third time he had been detained for criticizing Party policy. Today, he remains under heavy surveillance in Hanoi, with his telephone line jammed when he receives international calls.

After Tran Do's expulsion from the Party, other senior Party members and war heroes such as Col. Pham Que Duong and Hoang Huu Nhan made public statements in support of Tran Do. The Party Central Committee then passed a resolution in February 1999 stating that it would punish or criticize those who disseminate their own opinions or distribute dissenting views. Broadcast on national radio, the CPV Central Committee resolution stated, in part, that:

> Party committees at all levels should monitor the political and ideological awareness developments of Party officials and members, regularly provide information to and assist one another in order to create consensus on the Party's viewpoints and line; correct improper viewpoints in a timely manner; strictly criticize and punish those Party members who have infringed the organizational principles of the Party who after being assisted by the Party organization keep disseminating their own opinions or distributing documents contrary to the platform, the statute and the resolutions of the Party.

In a further effort to thwart opposition from within the Party, in May 1999, Politburo member Pham The Duyet outlined more than a dozen activities outlawed for Party members, including issuing statements contrary to the Party platform, and organizing people to lodge complaints or join demonstrations.

Silencing Critical Poets and Intellectuals

Also under pressure and scrutiny are outspoken critics of the government from the academic and intellectual communities. Included in this group are mathematician Phan Dinh Dieu, geologist Nguyen Thanh Giang, journalist Vu Huy Cuong, writer Hoang Tieng, and the so-called Dalat

intellectuals - biologist and writer Ha Si Phu, poet Bui Minh Quoc, and writer Tieu Dao Bao Cu. Intellectuals are highly respected in Vietnamese society, so statements they make or books or poetry they write are accorded considerable status and receive careful attention. Many have previously been jailed or placed under house arrest or administrative detention for expressing views critical of the government.

Geologist Nguyen Thanh Giang, who has openly advocated human rights, multiparty democracy, and peaceful reforms, was detained by police for three days in March 1998 and then released only after going on hunger strike. A month later he was summoned to the Cultural Police Headquarters and advised to stop criticizing the Party's polices. Then, on March 4, 1999, he was arrested and charged under Article 205a of the Criminal Code for "abusing democratic rights." After widespread international protest Giang was released in May 1999. He continues to be required to report regularly to police and prohibited from traveling outside his local neighborhood in Hanoi without permission. Public security police have searched Giang's house on several occasions, such as in October 1999, when they confiscated his computer and ordered him to the police station for several days of interrogation (See Appendix 2, Letter of Protest to the Government from Nguyen Thanh Giang). Giang has issued a number of public letters over the years, denouncing "red capitalists" within the Communist Party and violations of human rights, and calling for "real democracy in which people from both the top and the bottom would equally benefit."

After dissident journalist Vu Huy Cuong wrote a letter in January 1999 supporting Tran Do he was called in for interrogation by the police. Vu Huy Cuong has been a long-time government critic. For most of the last thirty years he has either been in prison or under constant police surveillance. After opposing the Party's Maoist stance in the early 1960s, Cuong was fired from newspapers where he worked, was imprisoned in 1967, and then was exiled to Ha Nam Ninh province from 1973-78. He has been banned from publishing or taking jobs with the government or as a teacher since 1980.

In April 1999, police summoned writer Hoang Tien and Vu Huy Cuong for questioning in conjunction with Nguyen Thanh Giang's arrest. During April alone Hoang Tien underwent seven interrogation sessions, from April 12-14 and again on April 20; Vu Huy Cuong's interrogations began on April 12 and continued on a daily basis for several days. In late 1999 the police were continuing to visit Vu Huy Cuong almost every day. Hoang Tien is a well known writer who has been an outspoken advocate for democracy, freedom of speech, and freedom of the press. He issued his own reports during the 1996 trial of dissident Ha Si Phu, when he protested that the Vietnamese press was not allowed to cover the arrest and trial but instead "could only offer brief bits of news according to what the authorities handed down."

Writer Tieu Dao Bao Cu and poet Bui Minh Quoc were each placed under house arrest for two years in their homes in Dalat under Administrative Detention Directive 31/CP (see section III below). The official detention period lasted from September 1997 through October 1999. The authorities continue to keep them under surveillance, however, and their telephones are disconnected, although Bui Minh Quoc has been able to travel in the North since his release from detention.

Bui Minh Quoc was originally arrested in 1997 on the grounds of being in possession of "reactionary literature"- in fact, fellow dissident Vu Thu Hien's novel, *Darkness at Midday*. The arrest, made at a Dalat bus stop, took place on his return from a visit to Ho Chi Minh City. His conditions and treatment worsened in May 1998, following the appearance in Vietnam and elsewhere of his work, *Poetic Flashes in the Interrogation Chamber*. At that time he was

subjected to intensive questioning and his home was ransacked by public security officials, who took away further reading and writing materials.

While under administrative detention, Bui Minh Quoc was made to live in near total isolation. Police were posted outside his home and generally he could not venture further than the confines of his house and garden. His telephone line was disconnected by the security authorities several months prior to his being placed under house arrest in order to prevent him from contacting people outside Vietnam or giving interviews to western news media. All mail to and from Quoc was intercepted. Money sent by relatives did not reach him. His home was searched by public security officials on several occasions during which books and writing materials were confiscated. On several occasions Quoc was subject to questioning and interrogation, usually of a very tedious and repetitive nature. Written requests he submitted to the police to take his son to school were rejected. His wife, a former journalist at the state-operated television and broadcasting station in Dalat, had to quit her job because of the circumstances surrounding her husband's arrest. Consequently, the family was deprived of their normal means of income, and turned to making and selling small hand-puppets to earn a living.

Biologist and writer Ha Si Phu was arrested in December 1995 and charged with "revealing state secrets" for being in possession of a copy of Prime Minister Vo Van Kiet's letter to the Politburo calling for reforms. After trial in August 1996, he was imprisoned until December 1996. He was then placed under house arrest on an unofficial basis when he returned to his home in Dalat. Ha Si Phu was treated even more harshly than the two other dissidents in Dalat, Bui Minh Quoc and Bao Cuu. In April 1999 police searched Ha Si Phu's house, confiscated his computer, printer, and diskettes, and fined him 500,000 Vietnam dong (about US $35) for violating the "publishing law." This incident reportedly was spurred by Ha Si Phu writing a letter to Tran Do, congratulating him for being expelled from the CPV. Ha Si Phu's condition of informal house arrest remains in place.

Controlling Rural Unrest

Not only urban or intellectual dissidents, but also farmers in the countryside, who constitute the majority of Vietnam's population, are denied their fundamental rights to free assembly, expression, and association. Isolated incidents of peasant protest in the provinces have occurred since the late 1980s, and farmers occasionally gather before sessions of the National Assembly in Hanoi to lodge complaints. However, under Vietnam's laws, farmers may be sanctioned if they publicly air their grievances or try to form independent associations to represent their interests.

In 1997 serious rural unrest erupted in Dong Nai and Thai Binh provinces, sparked by farmers' economic grievances and protests against corruption by local officials. In Thai Binh, some of the demonstrations turned violent, leading the government to dispatch more than 1200 special police as well as a high-level delegation led by Politburo member Pham The Duyet. More than fifty police and provincial officials were arrested at the time, as were more than sixty protestors, most of whom were probably detained under Administrative Detention Decree 31/CP. The media was prevented from traveling to the areas for more than five months; journalists still are not able to travel freely in the districts where the protests occurred. In March 1998, at least nine local people were convicted for disturbing public order during the January clashes in Dong Nai. In July 1998, the People's Court in Thai Binh sentenced more than thirty local people, whom the government termed "extremists," to prison terms: they were said to have incited people to disrupt public order during the unrest in the province in 1997. In Thai Binh more than 1500 local officials were eventually disciplined for corruption and because of ongoing unrest, eighty-four party members were expelled, and thirty local officials or cadres were sentenced to prison terms.

Despite this clampdown, reports of sporadic protests by local farmers and disgruntled local officials who lost their jobs continue to be received. It remains difficult to monitor the extent of rural unrest because of restrictions on travel by foreign journalists, but since 1997 peasant protests have been reported not only in Thai Binh but also in southern Dong Nai province, where farmers protested evictions by the military; Ha Tay Province near Hanoi, the site of ongoing dissatisfaction over land rights and corruption; as well as Ha Nam, Nam Dinh, Thanh Hoa, Quang Ngai, and Bac Ninh provinces. The government's harsh response to the rural unrest makes clear both its determination to maintain stability and the general absence in Vietnam of basic protections for the individual against arbitrary detention and violations of rights to expression, association and assembly.

Persecution of Religious Dissidents

Religious groups and churches that are not officially sanctioned or controlled by the government continue to be perceived as posing a challenge to government authority because of their potential for attracting large followings and thus, for competing with the Party's mass organizations. A 1998 report by Abdelfattah Amor, the U.N. Special Rapporteur on Religious Intolerance, underscored the need for Vietnam to implement reforms to safeguard religious freedoms. However, the government continues to require that all religious activities be registered by the state, to restrict travel by religious leaders, and to censor the contents of their sermons and speeches.

In April 1999, the government issued a new decree on religion, No. 26/1999/ND-CP. While purporting to guarantee freedom of religion, the decree provides that all religious organizations "used to oppose the State of the Socialist Republic of Vietnam," as well as undefined "superstitious activities," are to be punished. The decree provides for extensive government regulation of religious organizations, and includes provisions that religious seminaries and appointments of religious leaders be approved by the government. The decree also bans religious organizations that conduct activities contrary to "structures authorized by the prime minister." These provisions appear to be directed against religious leaders who have taken critical stands against the government and called for peaceful democratic reforms.

Religious leaders from the banned Unified Church of Vietnam (UBCV) face ongoing persecution for their long history of confronting the country's rulers on matters of principle. The UBCV was the main Buddhist organization in south and central Vietnam prior to 1975, when administration of its properties and institutions were taken over by the government. In 1981 the UBCV was dissolved by the government and replaced with the state-sponsored Vietnam Buddhist Church. Since that time tensions have risen steadily between the government and the UBCV, which does not recognize the authority of the Vietnam Buddhist Church, particularly during the 1990s when the government imprisoned many monks affiliated with the UBCV.

The Supreme Patriarch of the UBCV, Thich Huyen Quang, eighty-one, is currently being detained without trial under pagoda arrest in Nghia Hanh district in Quang Ngai province. He was first arrested in April 1977, then again in 1982 for calling for official recognition of the UBCV. From his forced internal exile in central Quang Ngai province, he issued a declaration in November 1993 calling for democratic reform and respect for human rights. In December 1994 he was rearrested on charges of organizing a UBCV flood relief operation in the Mekong Delta. In January 1995, police forcibly moved Thich Huyen Quang to an isolated pagoda in Quang Ngai province, where he now lives in internal exile. While requests by journalists, diplomats and non-governmental organizations to visit Thich Huyen Quang are routinely rejected by the government, in December 1999 a U.S. Embassy official was able to meet with him for three

hours while inspecting flood-stricken areas in Quang Nai.

Outspoken UBCV leader Thich Quang Do has been harassed by the authorities on several occasions since his latest release from prison in September 1998. In March 1999, he was summoned for questioning and ordered to return to Ho Chi Minh City after he traveled to central Vietnam to visit Thich Huyen Quang. On August 6, officials in Ho Chi Minh City called in Thich Quang Do to interrogate him and tried to force him to sign a confession that he had acted illegally in July when he wrote a letter to European Union ambassadors in Hanoi calling for human rights and religious freedoms. On August 13, a police squad came to his pagoda after midnight and demanded to see him, threatening to break down the door before they eventually left.

In September 1999, Thich Quang Do was again summoned several times for questioning by police, as were UBCV monks Thich Khong Tanh and Thich Tue Sy, who had also been released from prison in 1998. The monks were told that their rearrests were imminent, as warrants had already been prepared to arrest them for "subversive activities" pending further investigation. During a tense, three-hour interrogation session on September 6, Thich Quang Do was confronted by ten officials, including members of the Ho Chi Minh City police, the Ho Chi Minh City section of the CPV, the Fatherland Front, and the official Vietnam Buddhist Church. On October 29, security police surrounded the Lien Tri Pagoda of Thich Khong Tanh in Ho Chi Minh City and confiscated documents and a fax machine.

Members of the Hoa Hao sect of Buddhism have been subject to police surveillance and several are thought to remain in detention. The sect was granted official status in May 1999, although government appointees dominate an eleven-member Hoa Hao Buddhism Representative Committee established at that time. In July 1999, in one of the first large public gatherings of the group since 1975, thousands of Hoa Hao members commemorated the founding of the church in An Giang province. Because of its history of armed resistance to Communist forces before 1975, however, the Hoa Hao sect remains closely monitored. After Hoa Hao Elder Le Quang Liem signed a joint appeal in September 1999 with representatives of other religions calling for greater religious freedom (see page 14, below), he was interrogated on several occasions by Ho Chi Minh City Public Security Police. Since December 1999 his telephone line has been disconnected and his house placed under surveillance.

On several occasions in December 1999 Hoa Hao members in An Giang province reportedly clashed with police, who prevented them from hanging out religious signs and pictures of their prophet and blocked their pilgrimage to their prophet's birthplace. Police also reportedly detained and beat some of the Hoa Hao adherents, only releasing them after about one hundred demonstrators staged a vigil at the police station. Tensions increased in An Giang province in the lead-up to a Hoa Hao religious anniversary commemorating the assassination of their founder on March 30, 2000. On March 11, police reportedly raided a private Hoa Hao ceremony in An Giang, injuring several participants and arresting three others. On March 28, two Hoa Hao Buddhists were reportedly arrested in An Giang province and charged with "defaming the government." On March 30 police reportedly blocked thousands of Hoa Hao followers from observing the religious anniversary, detaining ten followers.

Members of the Cao Dai religion, which combines elements of Confucianism, Christianity, Taoism and Buddhism, have complained that some of their religious practices are banned and church property has been confiscated. A 1997 CPV report for Tay Ninh province, where Cao Daism is based, stated that the Cao Dai cathedral was a place "where enemies take advantage to stir up political reactionary operations against our revolution...We all agreed to fade out

Spiritualism; to wipe out the [Cao Dai] system, which was organized like a state within a state."

In October, 1998 two Cao Daists, Le Kim Bien and Pham Cong Hien, were arrested in Kien Giang province and sentenced to two years' imprisonment after they attempted to meet with U.N. Special Rapporteur Amor during his visit to Vietnam. While the religion was officially recognized in 1997, this was done on the government's terms, with the Cao Dai placed under a government-appointed management council that is not recognized by many Cao Dai officials. Special Rapporteur Amor noted in his 1998 report: "Two distinct groups are now associated with Cao Daism: a management committee, comprising a few church officials controlled by the authorities, and a majority of independent church officials opposed to the Committee."

The government has also made efforts to suppress Protestants through police raids, surveillance, and negative propaganda, particularly as increasing numbers of ethnic minorities have joined evangelical churches in the northern and central highlands. Reports have been received of persecution and harassment of Hmong Protestants in Lai Chau, Lao Cai and Ha Giang provinces, Mnong in Binh Phuoc province, Bahnar and Jarai in Gia Lai province, and Hre in Quang Ngai. Three Protestant churches in Binh Phuoc province, whose members were ethnic Mnong and Stieng, were demolished by provincial authorities in July 1999. Subsequently several provincial officials were dismissed in Binh Phuoc leading to a decrease in tensions with local Protestants.

In January 1999, an official law journal, *Phap Luat*, heavily criticized the conversion to Protestantism of Hmong in northern Ha Giang province. The provincial Party chief was quoted as saying that a district task force had been established to "deal with illegal religious evangelism" by persuading people to sign commitments not to follow "bad people" or cults, but to rebuild ancestor shrines. Two months earlier in the same province, the provincial propaganda committee issued a forty-two page pamphlet entitled "Propagandizing and Mobilizing Citizens not to Follow Religion Illegally." About ten Hmong Christians were reportedly in detention in Lai Chau and Ha Giang provinces as of late-1999.

On May 7, 1999, police raided an evangelical gathering of the Vietnam Assemblies of God Church in a Hanoi hotel and held twenty people for several days. Police detained two of the group's leaders, Lo Van Hen (a member of the Black Thai minority group, who had been released from three years in prison in January 1999), and Rev. Tran Dinh (Paul) AI, who had served two years in prison in the early 1990s for his religious activities and who had met with U.N. Special Rapporteur Amor during his 1998 visit. Lo Van Hen was escorted back to his home in Dien Bien Phu, while Rev. AI was detained under police guard for a month in the Hanoi hotel where the meeting had taken place. Subsequent police raids on Christian gatherings, in which police temporarily detained church members, were reported to have taken place in 1999: in Quang Nam province in September, in Viet Tri town on October 10, and in Halong Bay in mid-October.

Members of Tin Lanh (Good News, or Gospel) Protestant churches who are lowland Vietnamese [Kinh] are often less persecuted. This is thought to be because their members are not members of ethnic minorities and many of their churches are located in the main cities of Danang, Hanoi, and Ho Chi Minh City rather than in remote highland areas. There are approximately 300 Tin Lanh churches in Vietnam, fifteen of which are the only Protestant churches that the government officially recognizes.

For Catholics, relations between Vietnam and the Vatican warmed slightly in 1999 with the visit in March of a Vatican delegation and Vietnam's acceptance of the appointment of four new bishops by the Vatican. As in 1998, tens of thousands of Catholics were able to attend an annual

festival commemorating the sanctuary of the Notre Dame of La Vang in Quang Tri province. However, at least seven members of the Catholic Congregation of the Mother Co-Redemptrix, arrested in 1987, were believed to remain in prison as of this writing. In northern Son La province police have reportedly harassed ethnic minority Hmong Catholics in Hung Hoa diocese, where the government has rejected nominations for a bishop. The Vietnamese government has turned down requests by Catholics for the Pope to visit Vietnam.

Father Chan Tin, a Redemptorist priest in Ho Chi Minh City, has been a long-time critic of the regime. He was held under house arrest between 1990 and 1993. In 1998 while travelling to attend the funeral of a Communist Party Veteran who had called for democratization, Father Chan Tin and former Catholic priest Nguyen Ngoc Lan were injured in a motorcycle accident when another motorcyclist kicked the front of their motorcycle. This occurred in the presence of several police officers, none of whom took any action, but it remains unclear whether this was an attempt to kill or intimidate the two priests or simply an accident.

In September 1999 members of four of the main religions in Vietnam issued an unprecedented statement calling for the repeal of the new religion decree, described above, and demanding religious freedom and the separation of church and state. The letter, which was sent to CPV officials, was signed by Thich Quang Do of the UBCV, Catholic priest Chan Tin, Cao Dai priest Tran Quang Chau, and Hoa Hao leader Le Quang Liem. Afterwards, Le Quang Liem was questioned several times by Ho Chi Minh City Public Security Police about signing the joint appeal and his house was placed under surveillance. Police also summoned Thich Quang Do for questioning several times during the month of September.

IV. RESTRICTIONS ON FREEDOM OF THE PRESS

The Vietnamese press is no longer the "monolithic propaganda machine" it once was, and dozens of lively new publications have sprung up in recent years. Most of the new publications, however, focus on sports, entertainment, or sensational news from police blotters, and provide little check on the government. The media continues to remain under strict government control although journalists are able occasionally to report on corruption by government officials. Direct criticism of the Party, however, is clearly forbidden.

With the political content of state media tightly regulated, dissidents and critics of the government have few avenues of expression. The 1993 Publishing Law does not permit private ownership of media or publishing houses. Instead all publishing operations must belong either to state agencies or to officially sanctioned social or political organizations. None of the criticism of the government by dissidents, senior Party leaders, or retired officers is published in the state media. In addition, press coverage of hot spots such as Thai Binh and Dong Nai, sites of peasant demonstrations over the last couple of years, was blacked out for more than four months in 1997; access to those areas has been strictly controlled since then.

Passed by the National Assembly in July 1993, the Publishing Law authorizes pre-publication censorship "in necessary circumstances decided by the Prime Minister" and bans the following:

> Material detrimental to the Socialist Republic of Vietnam or the unity of its entire people;
>
> Material inciting violence or war or aggression, fomenting hatred among nationalities, and peoples of various nations, propagating reactionary concepts and culture, disseminating degenerate or decadent lifestyle; promoting crime, social vice and

> superstition; and damaging good Vietnamese morals and customs;
>
> Material revealing party, state, military, national security, economic and foreign affairs secrets; secrets involving the personal lives of citizens; and other secrets stipulated by law;
>
> Material distorting history, rejecting revolutionary achievements, discrediting great Vietnamese men and national heroes, or slandering and damaging the prestige of organizations or the dignity of citizens.

Critics such as Hoang Minh Chinh have been charged under Article 82 of the Criminal Code with propagating "anti-socialist propaganda." When the journal published by Nguyen Ho's Club of Former Resistance Fighters criticized the Party in 1989, especially its treatment of war veterans, the government promptly shut down both the publication and the association. In a stern reminder to journalists not to exceed state-imposed limits, Communist Party member Nguyen Hoang Linh, who had reported on high-level corruption within the General Department of Customs, was dismissed as editor of *Doanh Nghiep* (Enterprise) newspaper in 1997. Immediately after Nguyen's arrest, the Politburo issued a directive on October 23, 1997 ordering the press to adhere to the party line and warning all others not to "reveal state secrets." In 1998, Nguyen was tried and found guilty for "taking advantage of democracy to damage the state" and sentenced to time served of a little more than one year.

Requests by dissidents to publish journals have either been rejected or ignored. In July 1999 the Ministry of Culture and Information rejected a request by Tran Do to publish a newspaper (Appendix 1 contains a translation of Tran Do's lengthy, carefully articulated request for a permit, as well as a translation of the government's letter of denial). As of this writing the government had not responded to an application to publish a journal made by Thich Quang Do in September 1999.

The role of the media, as outlined by the official army daily, *Hanoi Quan Doi Nhan Dan*, is to combat "reactionary forces." In a January 1999 article, the paper asserted that:

At the national level, the press needs to be quick and sharp in countering malicious arguments and misinformation about the situation in Vietnam produced by hostile forces. The press should actively participate in breaking up and criticizing reactionary and counter-revolutionary viewpoints of bad, reactionary, and opportunistic elements both at home and abroad.

In May 1999 the National Assembly passed a new press law which makes the Ministry of Culture and Information responsible for all media outlets and the Internet. The new law, which applies only to Vietnamese press and not foreign media outlets, requires journalists to pay compensation or publish retractions to individuals harmed by their reports. Retractions are required not only for inaccurate stories, but for writings which "violat[e] the honour of any organization or the dignity of any individual." The vague language of the law, which fails to define clearly what is and is not prohibited, is likely to lead editors to err on the side of caution. Coupled with the 1998 conviction of editor Nguyen Hoang Linh, described above, this measure likely will increase further the already significant degree of press self-censorship, leading the media to back away from reporting on corruption or other scandals involving officials.

Surprisingly, aspects of the new law even drew criticism initially from certain Vietnamese state media. Thus, while endorsing the notion that some issues should be considered off limits for press coverage, at least one newspaper said people questioned why reporters could be sanctioned

for reporting that was factual and accurate. Phan Quang, president of the Vietnam Journalists' Association, an official body, was quoted in *Tuoi Tre* (Youth) newspaper as telling legislators: "Journalists cannot commit crimes when their reporting is correct...They only bear responsibility for reporting information which is not permissible to report, and in this case, they are only responsible for not abiding by their superiors." *Tuoi Tre* also quoted legislator Phan Thi Tien as questioning the provision: "Will media organizations have to pay compensation for losses for their stories on a company producing bad-quality goods because of a boycott by buyers?"

However in another article, Vietnam Journalists' Association President Quang appeared to have changed his position, firmly backing the provisions of the new law. In a long article interpreting and lauding the new law in *Tap Chi Cong San*, the theoretical journal of the Party central committee, Phan Quang instructed reporters to publish the conclusions of competent state agencies even if they did not agree with such conclusions:

The revision and amendment [of the Press Law] was also aimed at upholding the social responsibility and obligations of press organs and journalists, determining the authority and obligations of press management agencies, complementing and strengthening the state management of the press, and clearly defining the responsibility of all society for the development of the press in the stage of national industrialization and modernization... The overriding requirement is that after being revised and amended, the current Press Law still has to institutionalize the viewpoint that the press is placed under the Party leadership and the state management and operates in strict accordance with the law.

Internet access is tightly controlled for Vietnam's approximately 30,000 subscribers. While there are four active Internet providers in Vietnam, the government maintains control over Vietnam's only Internet access provider, Vietnam Data Communications (VDC). VDC is authorized to monitor subscribers' access to sites and to use "firewalls" to block connections to sites operated by Vietnamese groups abroad that are critical of the government. In April 1999 Ho Chi Minh City police charged that the Internet was being used to leak state secrets as well as to import reactionary materials from "hostile forces" overseas. The police requested that the local people's committee be given full control over the Internet. Although Nguyen Dan Que was able to open an Internet account after his release from prison, it was suspended in May 1999 after he issued a critical statement by e-mail. In January 2000 the Foreign Ministry stated that all information relayed through the Internet in Vietnam must comply with national security provisions in the Press and Publication laws, which ban information aimed at "sabotaging the Vietnamese government" and harming national security, national unity, national defense, or foreign relations. Also banned from Internet traffic in Vietnam, according to the Foreign Ministry, is any information damaging to the reputations of organizations or citizens.

The foreign press and contacts between local journalists and international media representatives also come under governmental scrutiny and controls. A government directive adopted in September 1997 requires Vietnamese journalists to obtain approval from the Ministry of Culture and Information before passing any information to foreign reporters. The Ministry of Culture has also restricted domestic media coverage of rural unrest and the banking system and has instructed news editors to tone down critical economic coverage. Foreign journalists based in Vietnam have received strong warnings from government officials or had difficulty renewing their visas after focusing too much coverage on the dissidents, for example, by seeking to contact and interview Tran Do. On December 26, 1999, Pham The Hung, a French journalist working for Radio France International (RFI), was expelled from Vietnam after meeting with members of Hanoi's Catholic community whose names were not on a list of interviewees he had submitted as part of his journalist visa request. On April 13, a reporter for L'Express, who was not working on a press visa, was detained and interrogated in Ho Chi Minh City after trying to contact dissidents for

interviews.

Vietnamese listeners have access to most international radio stations, but the government jams access to Radio Free Asia. Foreign publications are occasionally censored; for example, during the visit of U.S. Defense Secretary William Cohen to Vietnam in March 2000, government censors blacked out sections of a *Wall Street Journal* editorial about his visit. While foreign language newspapers and magazines can be purchased in the major cities, in December 1999 an internal Customs Department bulletin announced a crackdown on illegally imported foreign publications because of their "poisonous" content (magazines and newspapers arrive in Vietnam on international airline flights and then are resold in local bookstores and newsstands). Singled out for confiscation as particularly "noxious" were the *South China Morning Post*, the *Asian Wall Street Journal*, Singapore's *Straits Times,* and Thailand's *Nation*.

These restrictions of the media violate Article 69 of the Vietnamese constitution, which states that "citizens are entitled to freedom of speech and freedom of the press," as well as Article 19 of the ICCPR, to which Vietnam is a state party.

V. ARBITRARY DETENTION OF DISSIDENTS

Arbitrary detention under the 1997 Administrative Detention Decree 31/CP is another means used by the government to isolate and silence critics. Article 2 of the decree states that "administrative detention applies to those individuals considered to have violated the laws, infringing on the national security, as defined in Chapter 1 of the Criminal Code, but [whose violation] is not serious enough to be prosecuted criminally." The vaguely-worded decree formally legitimizes the detention without trial for up to two years of anyone voicing political dissent. Since detainees are not brought to trial, they have no opportunity for legal defense. With information provided by local public security officials, district level People's Committee chairmen are authorized to open files on people they think should be placed under administrative detention. The chairman of the provincial People's Committee decides whether detainees are to be held under surveillance at their place of residence or in an alternative detention facility.

Government critics who have been placed under house arrest and made to live in near total isolation under Administrative Detention Decree 31/CP include poet Bui Minh Quoc and writer Tieu Dao Bao Cu, who were both detained in their homes in Dalat (see Section III, above.) While their administrative detention was officially lifted in October 1999, they continue to live under heavy surveillance.

In addition to the Administrative Detention Decree, also potentially worrisome is decree 89/ND-CP, which authorizes the establishment of provisional custody and pre-trial detention centers around the country. Signed by Prime Minister Phan Van Khai in November 1998, this decree allows police units from the district level upward, and military units at the provincial, municipal, and regional levels, to operate their own temporary detention centers and to arrest and hold people under provisional custody or pre-trial detention. Publicly available information about the decree does not indicate what kinds of crimes could prompt detention under decree 89/ND-CP, nor how detention periods will be determined.

VI. CONCLUSION

In the twenty-five years since the reunification of the country, Vietnam has taken steps to curtail some human rights violations and has implemented social and economic reforms. Over the years, thousands of re-education camp inmates and political prisoners have been released, the country

has become a state party to the International Covenant on Civil and Political Rights, and the government has permitted visits by U.N. delegations researching arbitrary detention and religious freedom. While there is little doubt that foreign pressure on human rights has factored into some of the decisions on how to treat well-known political and religious dissidents, the government has been anxious to resist the impression that it has been influenced by such forces. This concern, born of national pride and anxiety over political control, has sometimes overridden a realistic appraisal of the cost of suppression of free speech and association to the country, in terms of its international standing, popular support within Vietnam, and the country's ongoing economic and social development.

Consequently, the Vietnamese government often reacts negatively to charges that it violates human rights or continues to hold political prisoners. In 1999, for example, the government denounced the findings of U.N. Special Rapporteur Abdelfattah Amor, whose report had criticized Vietnam's treatment of certain religious groups, and in March 1999 the authorities said that individuals or organizations who wished to visit Vietnam to conduct human rights or religious activities were not welcome. In August 1999 at the closing of the Central Committee Plenum, Party General Secretary Le Kha Phieu stated:

> Our people won't allow any political power sharing with any other forces. Any ideas to promote 'absolute democracy,' to put human rights above sovereignty, or support multi-party or political pluralism...are lies and cheating.

Party leaders continue to focus on themes of defending socialism and attacking "hostile forces," rather than dealing with serious problems of corruption and a lack of transparent and accountable governance. At the last Party plenum in November 1999, Le Kha Phieu stated: "The twentieth century was the century of fighting for independence and moving towards socialism. The twenty-first century will be for firmly defending national independence and state sovereignty and building, consolidating and perfecting socialism."

Since 1997, dissatisfaction in the provinces with graft and poverty has erupted in incidents of rural unrest and demonstrations, resulting in dismissal of dozens of lower-level provincial officials. It also has triggered greater governmental controls on dissent and the media. Addressing endemic corruption and allowing greater freedoms in society are intrinsically linked to the economic reforms needed to raise the standard of living of Vietnam's largely rural population.

While the Party has taken some steps to tackle graft over the last year and dismissed several high-level government officials, many of the people purged appear to be allied with those advocating economic liberalization. This leaves conservative members of the ruling Party, and the protected state-owned enterprises from which they benefit, largely in control. Such purges will not have a widespread impact until Vietnam grapples with the roots of the corruption problem, including low government salaries, executive control over the judiciary, lack of transparency of governmental actions, and the inability of any sector of society, particularly the media, to challenge the Party.

Government repression of dissent and organizational independence, while targeted at a relatively small number of prominent intellectuals, religious leaders, and associations serves as a clear deterrent to others thinking of speaking out. Restrictions of freedom of assembly, expression, and association make it difficult for citizens throughout Vietnam to raise concerns or for discontent to receive more than token attention from public officials.

Despite sporadic peasant protests in the countryside or in front of the National Assembly, most

people still cannot safely speak their minds in Vietnam on matters perceived by the authorities as a threat to the state. As Tran Do stated in his letter to the government requesting permission to open a private newspaper, "People with ideas do not want to speak, do not dare to speak, do not know where to speak. They hold their silence in agony."

Appendix A: Partial List of Political Prisoners in Vietnam, April 29, 2000

Because of lack of access to Vietnam's prisons by independent monitors, it is not possible to provide a comprehensive listing of all individuals currently imprisoned or detained in Vietnam for peaceful expression of their political or religious beliefs. The following listing provides a sampling of representative cases derived from investigations by Human Rights Watch and from secondary sources that provided sufficient information to indicate a high probability that the persons have been imprisoned for their religious or political beliefs. This listing should not be considered to be exhaustive. Human Rights Watch has received many more names of possible political prisoners in Vietnam from family members of detainees, international organizations, and governments that have not been presented here because available information is too scarce to confirm the accounts.

Buddhists

Thich Huyen Quang
Born 1917. Supreme Patriarch of the Unified Buddhist Church of Vietnam (UBCV), which is not recognized by the government. He was first arrested in April 1977 and then again in 1982 for his work with the UBCV. In December 1994 he was arrested again on charges of organizing an UBCV flood relief operation in the Mekong Delta. Suffers from high blood pressure and a lung condition. Currently under pagoda arrest in Nghia Hanh district, Quang Ngai province.

Thich Thien Minh (secular name Huynh Van Ba)
Born 1954. Buddhist monk and member of the UBCV, he was arrested in 1979 and sentenced to life imprisonment on charges of trying to overthrow the government. In 1986 he was sentenced to a second life sentence for attempted escape. Currently detained in K2 disciplinary subcamp of Z30A prison camp, Xuan Loc, Dong Nai province. Declared a victim of arbitrary detention by the U.N. Working Group on Arbitrary Detention in 1997. The U.N. Special Rapporteur on Religious Intolerance visited him in October 1998 in Z30A prison camp.

Thich Hue Dang (secular name Nguyen Ngoc Dat)
Born 1943, Buddhist monk and UBCV member. On May 28 1992, he was sentenced to twenty years' imprisonment for writings about Buddhism and democratic reform. Suffering from diabetes. Reportedly detained in Z30A prison camp, Xuan Loc, Dong Nai province; when the U.N. Special Rapporteur on Religious Intolerance tried to visit Thich Hue Dang there in October 1998, he was told that he was not in the camp.

Hoa Hao

Le Minh Triet (also known as Tu Triet)
Fifty-eight years old. His house was raided by police in December 1993 after he practiced Hoa Hao Buddhism in his home and set up an altar there. After reporting the incident to a Japanese radio station and international human rights organizations, security police arrested and detained him in Long Xuyen prison in An Giang province. He was later reportedly charged with the crime of disrespect for national law and conspiracy with reactionary forces overseas. His exact whereabouts now are unclear.

Cao Dai

Ms. Le Kim Bien
Fifty-one years old. Arrested in October 1998 after requesting a meeting with U.N. Special Rapporteur for Religious Intolerance, Abdelfattah Amor during his October 1998 visit to Vietnam. She was one of the vice-chairs of the Cao Dai religion in Kien Giang province. Currently serving a two-year sentence in Rach Gia, the provincial capital of Kien Giang province.

Pham Cong Hien (Thien Nhon)
Fifty years old. Arrested in October 1998 after requesting a meeting with U.N. Special Rapporteur for Religious Intolerance, Abdelfattah Amor during his October 1998 visit to Vietnam. One of the vice-chairs of the Cao Dai religion in Kien Giang province. Currently serving a two-year sentence in Rach Gia, the provincial capital of Kien Giang province.

Catholics

Father Nguyen Van De
Roman Catholic priest in Tien Giang province; reportedly a member of the Sacerdotal Maria Movement. He was arrested in October 1987 with ten others and charged by the Ho Chi Minh City People's Court with "spreading counterrevolutionary propaganda through religious activities." In August 1990 he was sentenced to ten years' imprisonment. He is currently detained in A20 prison camp in Xuan Phuoc, Phu Yen province.

Father John Bosco Pham Minh Tri
Born 1941. Roman Catholic monk and member of the Congregation of the Mother Co-Redemptrix. Arrested on May 20, 1987 with about sixty other Catholic clergy and lay people for conducting trainings and distributing religious books without government permission. On October 30, 1987 he was convicted, along with twenty-two others, of security offenses, including "conducting propaganda to oppose the socialist regime and undermining the policy of unity and the disruption of public security." He was sentenced to twenty years' imprisonment and is now suffering from mental problems. Reportedly detained in Z30A prison camp, Ham Tan, Xuan Loc, Dong Nai province.

Brother Benedito Nguyen Viet Huan (Nguyen Thien Phung)
Born 1951. Member of the Catholic Congregation of the Mother Co-Redemptrix. Arrested on June 18, 1987 and sentenced on October 30, 1987 to sixteen years' imprisonment (some reports say twenty) for "conducting propaganda to oppose the socialist regime and undermining the policy of unity and the disruption of public security." In poor health. Currently detained in Z30A prison camp, Ham Tan, Xuan Loc, Dong Nai province.

Brother John Euder Mai Duc Chuong, also known as Mai Huu Nghi
Born 1931. Member of the Congregation of the Mother Co-Redemptrix. Arrested on May 20, 1987 and sentenced on October 30, 1987 to twenty years' imprisonment (some reports say eighteen) for "conducting propaganda to oppose the socialist regime and undermining the policy of unity and the disruption of public security." Previously detained in K-3 prison camp, Long Khanh, Dong Nai Province; currently thought to be detained in Xuan Loc camp, Dong Nai province.

Brother Michael Nguyen Van Thin, also known as Nguyen Minh Quan
Born 1952. Member of the Congregation of the Mother Co-Redemptrix. Arrested on May 20, 1987 and convicted of "conducting propaganda to oppose the socialist regime and undermining the policy of unity and the disruption of public security." On October 30, 1987, he was sentenced to sixteen years' imprisonment. Reportedly in poor health. Currently detained in Z30A prison camp, Ham Tan, Xuan Loc, Dong Nai province.

Lau Si Phuc
Born 1968. Lay believer of the Congregation of the Mother Co-Redemptrix. Arrested on May 20, 1987 and sentenced to eighteen years' imprisonment on October 30, 1987 for "conducting propaganda to oppose the socialist regime and undermining the policy of unity and the disruption of public security." Reportedly detained in Z30A prison camp, Xuan Loc, Dong Nai province.

Nguyen Van Dan
Born 1966. Lay believer of the Congregation of the Mother Co-Redemptrix. Arrested on May 20, 1987 and sentenced to fourteen years' imprisonment on October 30, 1987 for "conducting propaganda to oppose the socialist regime and undermining the policy of unity and the disruption of public security." Reportedly detained in Z30A prison camp, Xuan Loc, Dong Nai province.

Le Xuan Son
Born 1966. Lay believer of the Congregation of the Mother Co-Redemptrix. Arrested on June 18, 1987 and sentenced to fourteen years' imprisonment on October 30, 1987 for "conducting propaganda to oppose the socialist regime and undermining the policy of unity and the disruption of public security." Reportedly detained Z30A prison camp, Xuan Loc, Dong Nai province.

Protestant

Ms. Nguyen Thi Thuy
Arrested in October 1999 during a church meeting in her home in Phu Tho; sentenced on December 27, 1999 to one year in prison for "interfering with an officer doing his duty."

Dinh Troi (ethnic Hre)
Detained for unauthorized religious activities in Quang Nai province.

Vu Gian Thao (ethnic Hmong)
Arrested in July 1997 for unauthorized religious activities and "abusing freedom of religion" in Huoi Xua Hamlet, Muong Lai District, Lai Chau Province. Sentenced to two years' imprisonment and held in Dien Bien Phu prison in Lai Chai province.

Sung Phai Dia (Hmong)
Imprisoned in Dien Bien Phu prison in Lai Chai province under the section of the Penal Code that prohibits "abusing the freedom of religion."

Vang Gia Chua (Hmong)
Arrested in late 1999 in Ha Giang province and imprisoned for unauthorized religious activities.

Sung Va Tung (Hmong)
Imprisoned in Dien Bien Phu prison in Lai Chai province for unauthorized religious activities.

Sung Seo Chinh (Hmong)
Imprisoned in Dien Bien Phu prison in Lai Chai province for unauthorized religious activities.

Sinh Phay Pao (Hmong)
Arrested in late 1999 in Ha Giang province and imprisoned for unauthorized religious activities.

Va Sinh Giay(Hmong)
Arrested in late 1999 in Ha Giang province and imprisoned for unauthorized religious activities.

Phang A Dong (Hmong)
Arrested in late 1999 and imprisoned in C-10 Prison in Dien Bien, Lai Chau province, for unauthorized religious activities.

Vang Sua Giang (Hmong)
Arrested in late 1999 in Ha Giang province and imprisoned for unauthorized religious activities.

Lau Dung Xa (Hmong)
Currently imprisoned for unauthorized religious activities in C-10 Prison in Dien Bien, Lai Chau province.

Political

Nguyen Dinh Huy (alias Ngo Tran Huan, Nguyen Viet Than, Viet Huy)
Born 1932. Founder in 1993 of the Movement to Unite the People and Build Democracy. He was arrested on November 17, 1993 and sentenced in April 1995 to fifteen years' imprisonment for allegedly "acting to overthrow the people's government" for having produced political manifestos and other documents. The movement's stated aims were to promote peaceful political change and free elections. In November 1993 the group attempted to organize an international conference in Ho Chi Minh City on development and democracy. Since May 1996 he has been imprisoned in Z30A prison camp, Xuan Loc, Dong Nai province. He is reportedly suffering from Parkinson's Disease.

Nguyen Ngoc Tan (alias Pham Tu San, alias Pham Thai)
Born 1921. A founder and first vice-chair of the Movement to Unite the People and Build Democracy. Placed under house arrest in November 1993, detained on February 11, 1994, and sentenced in August 1995 to eleven years' imprisonment. Since May 1996 he has been imprisoned in Z30A prison camp, Xuan Loc, Dong Nai province.

Pham Tran Anh
Born 1945. A member of the Movement for a Free Vietnam, he was arrested on July 3, 1977 and charged with "conspiring to overthrow the government." In 1978 he was sentenced to life imprisonment, which was reduced to twenty years' in 1994. Reportedly in poor health, he is currently imprisoned in Z30A prison camp, Xuan Loc, Dong Nai province.

Vo Van Pham
Born 1947. Arrested on July 6, 1991 for allegedly trying to overthrow the government and advocating the establishment of a multi-party system. In July 1991 he was sentenced to twelve years imprisonment. Sentence later reduced by forty-five months. Held in the public security prison, Nghia Ky village, Tu Nghia district.

Pham Hong To (Pham Hong Tho)
Born 1922. Arrested on June 6, 1991 and charged with trying to overthrow the government and

meeting with others to plan a multi-party system. In July 1991 he was sentenced to thirteen years imprisonment, a verdict upheld in May 1993, and was held in the public security prison, Nghia Ky village, Tu Nghia district, Nghia Binh province. His current status is unknown.

Le Van Tinh
Born 1941. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996, and deported from Cambodia to Vietnam with twenty-one other PAP members on December 5, 1996. Two PAP members were subsequently released; the others were tried in An Giang province on September 8, 1999 for attempting to overthrow the government. Le Van Tinh was sentenced to twenty years' imprisonment.

Questions have been raised as to whether the PAP has been guided solely by peaceful advocacy. However, Human Rights Watch has not discovered any evidence that the twenty-one PAP members arrested in 1996 were involved in anything other than peaceful advocacy and organizing for democratic change in Vietnam.

Nguyen Tuan Nam (Nguyen Giang Bao, Lam Son)
Born 1938. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to eighteen years' imprisonment (some reports say nineteen) in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Nguyen Van Trai
Born 1930. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to fifteen years' imprisonment (some reports say fourteen) in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Tran Cong Minh
Born 1945. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to twelve years' imprisonment (some reports say thirteen) in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Ms. Vuong Thi Vieng
Born 1950. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to nine years' imprisonment (some reports say ten) in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Ms. Nguyen Thi Viet Nhan
Born 1955. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to nine years' imprisonment in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Ms. Kim Hoa
Born 1948. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to eight years' imprisonment in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Le Dong Phuong
Born 1960. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to twelve years' imprisonment (some reports say thirteen) in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Phan Huu Tri (Dr. Nguyen Minh Tri)
Born 1948. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to eight years' imprisonment in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Nguyen Minh Chi
Born 1958. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to six years' imprisonment in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Thach Duoc
Born 1954. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to eight years' imprisonment in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Nguyen Van Thoi
Born 1937. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to four years' imprisonment in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Dinh Van Lu (Nguyen Van Lu)
Born 1944. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to four years' imprisonment (some reports say five) in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Lam Kien

Born 1933. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to nine years' imprisonment in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Ly Nhat Thanh (Hung-Thanh Hoang Ly)
Born 1956. Member of the People's Action Party (PAP), or Dang Nhan Dan Hanh Dong. Arrested in Thailand on November 28, 1996 and deported from Cambodia to Vietnam on December 5, 1996. Sentenced to twelve years' imprisonment (some reports say fourteen) in a trial in An Giang province on September 8, 1999 for attempting to overthrow the government. (See note above, for Le Van Tinh, about the People's Action Party.)

Doan Van Khanh
Sentenced on March 22, 1999 to one year's imprisonment on charges of disseminating open letters, distorting the truth, talking ill about the regime, and publicizing activities affecting social order and security. As of this writing, Human Rights Watch was not able to confirm his release from prison.

Bui Duc Phu
Sentenced on March 22, 1999 to one year's imprisonment on charges of disseminating open letters, distorting the truth, talking ill about the regime, and publicizing activities affecting social order and security. As of this writing, Human Rights Watch was not able to confirm his release from prison.

Appendix B: Tran Do's application to publish a private newspaper and the response from the Ministry of Culture and Information:

Respectfully Sent to: The Culture Information Minister
Also Respectfully Sent to: The Prime Minister of the Government

I, citizen Tran Do, would like to present the following matter for your consideration:

1. I have read carefully our country's 1992 Constitution and the Press Laws passed by the VIII Term of the National Assembly in 1989. I found Article 69 of the Constitution, which stated as follows:

> "Citizens have the freedom of expression, freedom of the Press, and the right to be informed ..."

It is very noticeable that the Article clearly states "freedom of the Press".

Section One of the Press Laws provides:

"Article 1: The role and function of the Press

The Press in the Socialist Republic of Vietnam (SRV) is the means for mass communication, essential for social life. [It] is the mouthpiece of the Party organizations, the Government organs, social organizations. [It] is the forum of the people.

Article 2: Guarantees for freedom of the Press, freedom of expression: The state shall create favorable conditions for citizens to actualize their freedom of the Press, their freedom of expression in the Press, and allow the Press to properly develop its role...

Article 4: Freedom of the Press, citizens' freedom of expression in the Press. Citizens have the rights:

1. To be informed by the Press on all aspects of the nation and the world.
2. ...
3. To express their opinions about the affairs of the nation and the world.
4. To contribute constructive opinions and [ideas] to carry out the policies of the Party and the regulations of the Government.
5. To add opinions and comments to legislative bills, to complain, to make accusation in the papers about the Party's organizations, the Government's organs, social organizations, etc.

Our Press Laws have not properly reflected the spirit of the Constitution on freedom of the Press. The Press Laws state "no censorship" but in reality the control is even tighter than censorship. The regulations on [permit] application are severely restricted. [The Laws] do not mention citizens' right to apply. Only organizations are allowed to apply.

However, I am concerned about Article 13 regarding the chief of a press organization. I pay particular attention to part 2 on the conditions to become the chief of a press organization:

Must have Vietnamese nationality and hold permanent residence in Vietnam;

Have adequate qualifications in ideology, ethics, and journalistic capability.

I realize:

I am a Vietnamese citizen, a member of the Communist Party for 58 years, a commissioner of the Party's Central Committee for 4 terms (III, IV, V, VI). My permanent residence is at 97 Tran Hung Dao street, Hoan Kiem district, Hanoi.

I was the leading cadre in publishing Party's newspapers (the Liberators Flag). I was a competent assistant to the late comrade Secretary General Truong Chinh, who was the Editor-in-Chief, for one year (1944-1945).

I served as the Editor of the *Ve Quoc Quan* (National Defenders) newspaper during my four years in prison from mid 1947 to early 1950.

I contributed to various hand-written papers in prisons like the *Suoi Reo* paper in Son La, the New Year special issue in Hoa Lo, 1942. [I wrote for] the Anti-Imperialist Youth League's paper in Thai Binh, 1941. Many of my articles were printed on dailies such as the *Nhan Dan* (People), *Quan Doi Nhan Dan* (People's Armies), *Van Nghe* (Entertainment), and *Van Nghe Quan Doi* (Army's Entertainment); and the *Quan Doi Nhan Dan* magazine, the Communist magazine, etc. I have been a member of the Writers Association since 1957. A number of my books have been published and read widely.

I consider myself qualified under the laws to become the head of a press organization.

2. Based on the points discussed above, I believe I have enough legal ground and qualifications

to request the Minister for a permit to publish a newspaper which will fulfill the function defined in Article 1 of the Press Laws - the Press is the Forum of the People.

3. The current situation of the nation includes many difficult challenges, many new problems without unified solutions. The Plenum 6/2 of the Eighth Party Central Committee also raised the need to collect opinions on the policies for the Ninth Conference. It also listed tens of issues that have multiple interpretations.
The world is going through unprecedented turmoil.
Our country, besides encouraging successes and achievements, is facing new challenges and ever more difficult problems.
Therefore, our country is in great need of ideas, especially from the experienced, the intellectuals, and the writers and artists.
The need for expression is great but the means for expression is absent.

4. I know for sure that many people want to express their ideas. However,
These people with ideas do not want to speak, do not dare to speak, do not know where to speak. They hold their silence in agony.
Some hold certain opinions but have to speak differently, sometimes even in direct opposite to what they think. Some have to speak differently from one place to another. These people are forced to or volunteer to live dishonestly. Such lack of character has become a habit, a lifestyle which bear long term ill effects on social morality.
Many people with ideas find no place to express them or are only offered forums that they don't like. All they can do is to confide their thoughts in face-to-face visits with close friends, or write down those thoughts just to put them away, or exchange their writings with friends illegally.

We have many papers. We have freedom of the Press for organizations. However, those are voices and forums for [Party] organizations and [Government] organs. We have [not] yet had a voice for the people and a forum for the people as stipulated by the laws. Even though every [Government] organ and every [Party] organization considers itself as belonging to the people and working "in the name of the people," the people have not had their own voice yet.
A direct forum for the people definitely would not be [a tool of] capitalistic democracy or limitless democracy but [of] true democracy.
5. I think an independent press organization (independent from all [Party] organizations and [Government] organs), which would serve as the voice and the direct forum of the people, would bring many benefits.

First of all, people with opinions about life and the country would have a legal and open place to express them. We could therefore avoid the spreading of opinions via underground and illegal channels which tend to induce arbitrariness and exaggeration.

Even though the Government (and the Party) is encouraging everyone to speak out, [the Government also] asks that those expressions be made within organizations and via organizations. Many opinions (tens of thousands of letters) have been sent to [Party] organizations and [Government] organs. However, each organ alone judges the worthiness of the opinions [sent to it]. Quite often, the submitted opinions are considered of no value and wrong. The educational level of the evaluators [of these opinions] is in many cases low and very low. As a result, grains of gold are lost in the heap of sand. A tremendous waste!

Given an independent and legal place to speak out, the speaker will have to exercise better care of what he says with rationality and moderation. It will therefore be easier to find the benefiting ideas.

As the opinions would be expressed openly and legally, they could be known and evaluated by everyone, including overseas Vietnamese and foreigners concerning Vietnam. We would then have wider and faster capability to distinguish good from bad, right from wrong, proper from improper. We would benefit from the opinions of not only the presenters but also the evaluators. Seventy million people will not produce seventy million ideas. Maybe a few thousands ideas are more likely. However, the tens of millions of opinions about those thousands of ideas will help us chose the good and right ones. Such practice cannot be [labeled as] limitless democracy or disorderly democracy. It is true democracy. Don't underestimate the people. People in Thai Binh were upset but not disorderly! Everyone admitted Thai Binh residents' anger was justified. If people are right then the cadres must be wrong. And when people are right, they must have the means to express their thought. We must have an independent forum for the people. People of Thai Binh had tried to speak out before but their voice continued to be gagged. They had no choice but to express their anger with actions. Had we had an independent forum for the people, we could have avoided the blocking of people's mind and their consequent anger. Society would be more stable as a result!

6. For those reasons, I write this letter to request the Minister and the Prime Minister allow me to become the head of a press organization. Such an establishment will be:

An independent forum which belongs to no organization or organ.

A people's forum which fulfills all its responsibilities and functions under the laws.

This forum will have a name appropriate to its characteristics and functions -such as *Tieng Dan* (People's Voice) or *Thanh Nghi* (Civilized Debate).

I respectfully hope that you will consider this application and issue your approval in principle. Once I have that approval, I will prepare to meet all the conditions and the process to apply for an actual permit because it costs a lot of effort and money to acquire office, staff, reporters, office supplies and communication equipment. I don't want to prepare all that for nothing. I am sure I and my friends (who I will invite to join the paper) have enough knowledge and ability to make the paper fulfill its functions and operate within the laws. I can guarantee that.

I await your reply within the period stated under Article 19 of the Press Laws. Afterward, I will prepare to apply for the actual permit and will operate only after the permit is granted. Please include the reasons for your approval or disapproval and publicize your precious decision.

I bid you success and await your reply
Applicant
Citizen Tran Do

Reply from the Vietnamese government to Tran Do

Ministry of Culture/ Information
SOCIALIST REPUBLIC OF VIETNAM
No. 1514 / VHTT --BC Independence --Freedom -Happiness
Re: Reply to Mr. Tran Do Hanoi, April 23, 1999

Respectfully Sent to: Mr. Tran Do

The Minister of Culture/ Information received your suggestion, dated April 1, 1999, requesting permission to publish a newspaper headed by you. On this matter, given the function to assist the Ministry of Culture/ Information in managing all journalistic activities, the Press Department has

the following opinions:

Article 1, Chapter 1 of the Press Laws, passed by the Sixth Session of the Eighth Term of the National Assembly on December 28, 1989, clearly states: The Press in the Socialist Republic of Vietnam (SRV) is the means for mass communication, essential for social life; [It] is the mouthpiece of the Party organizations, the Government organs, and social organizations (from here on jointly called organizations); [It] is the forum of the people.

Article 12 of the Press Laws also [provides]: The corporate owner of a newspaper is the organization that [applies] for a permit to conduct journalistic activities and that directly manages the newspaper establishment.

Therefore, according to the Press Laws of the Socialist Republic of Vietnam, there is no provision for an individual to apply for a permit to conduct journalistic activities.
The Press Department of the Ministry for Culture -- Information would like to inform you [of that fact] so you know.

Under the Order of Minister of Culture/ Information
Director of the Press Department

(Signed and Sealed)
Do Quy Doan

Received by:
As addressed above
Minister of Culture/ Information
Office Archive / Press Department

Appendix C: Letter of Protest to the Government of Vietnam from Nguyen Thanh Giang

Socialist Republic of Vietnam
Independence - Freedom - Happiness

Hanoi, October 14, 1999

Respectfully sent to:
-Leaders of the Party, State, National Assembly, and Government
-Judicial offices
-Media offices

I, Nguyen Thanh Giang, living at Unit A13-P9 TTPK Hoa Muc, Trung Hoa ward, Cau Giay district, urgently alert you to the severe threat on the lives of my family and myself.

Around 6:30 am on October 11, 1999, about ten Public Securities cadres, without reasons, burst into our house, searched, and took away our computer.

They ordered me to the Hanoi Public Securities Office for four days of interrogation. They asked me all kinds of ambiguous questions. It took a long time before I figured out they were looking for the author of the obituary to [the late] Mr. Hoang Huu Nhan.

Even though they did not find that article in my house or in the hard drive of my computer after a meticulous search, they refused to give back the computer.

In this computer, besides the data relating to my son's contracted works for various offices, and a valuable article by the revolutionist writer Thoi Huu (my father-in-law) that was found recently - fifty years after it was written - there was my article "Twelve Days of Hunger Strike in Prison Camp B14." Other than that, there is nothing that can be considered "roguish."

I desperately explained that the computer was the main means of living for my son. He, the first U.S.-trained geophysicist from Vietnam, was cut from the Petroleum Science Institute because of [the government's] suspicions about me. His twelve years of general education and the technical knowledge accumulated from the nine long years in Vietnamese and American universities are now wasted. Currently, he has to make his living out of his auxiliary knowledge of English and computer.

So, after taking away his ability to contribute to the country, by illegally confiscating the computer, they are also taking away his means to earn a living. How blatant, barbaric, and heartless!

On March 4 of this year, they abruptly detained me for two months on the suspicion that I was the author of the article "Constructive Suggestions to the Party." Now, they use the pretext of searching for the author of the article "Missing Hoang Huu Nhan - a True Communist, Most Dedicated to the Country, Most Faithful to the People" [to harass me].

In fact, after the interrogation at the Hanoi Public Security Office I had the chance to read that article at the house of an acquaintance. Afterwards, I felt both alarmed and tired. I do not know if blaming this article on me was the result of poor education or irresponsibility.

Any ordinary person who reads [this article] with some care can recognize it is not my writing style. Moreover, being a scientist, I could never afford to write loose and ambiguous sentences that could be totally misunderstood [like those in the article]. For example, the sentence "A person who defended Tran Do and protected Thanh Giang ... is now still buried at the Mai Dich [National Cemetery]" would imply Tran Do and Thanh Giang are bad persons!

Other people believe that [the Government] did not misunderstand anything. They just intentionally set a trap to catch Thanh Giang. They had arrested him but had to let him go [for lack of justification]. Now they continue to try their best to bring Thanh Giang to court to save their faces!

Under that threat, fear remains constantly in my family, particularly for my father, who is almost ninety years old, and our little helping girl. Quite possible indeed. Yesterday, there was an article signed by Nguyen Trung Truc; today, another article signed by "Your Dear Friends;" Some day there will be an article signed by Nguyen Thanh Giang with the content full of illegal information. [They could even frame us with] packages of heroin thrown into our back yard!

If they can just arbitrarily take and hold our computer without even the need to provide a reason, what else can stop them from resorting to other unjust and immoral ways! I urgently request the

leaders of the National Assembly, the Party, the State, the Government, the judicial authorities to timely put an end to the horrible process being used to severely harass my family and myself.

I demand:

1. The immediate cancellation of the "Order of Prohibition to Going Outside the Residential Area" imposed on me;
2. An end to the harassment of our children. Why did the Public Securities of the Thanh Xuan Bac Ward refuse to notarize my daughter's personal history, with good or bad remarks, so she can submit it to her file at work?
3. The immediate return of my computer, photocopier, and documents taken from my house in the last two searches;
4. An end to the pranks played on our family's phone, intermittently during the day and frequently between 8 p.m. to 8 a.m. Living with us is a man almost ninety years of age, and a child two years old. My uncle living next door also suffers high blood pressure. Who will be responsible if we have a medical emergency but cannot use the phone to call the ambulance?
5. The immediate restoration of my full freedom;
6. A definite end to the arbitrary house searches and the unreasonable torment on me with those prolonged meaningless interrogations. Remember that, comparing to those currently holding offices, I have worked longer and made more worthy contributions to the Revolution.

If this brutality, for some reason, is beyond the control of the [Vietnamese] government, I strongly call on all conscientious Vietnamese and the international community to support our family in our fight to the end to uphold the principles of Human Rights and Justice.

Respectfully,

Nguyen Thanh Giang, Ph.D.
Unit A13P9 TTPK Hoa Muc,
Trung Hoa Ward -Cau Giay District
Hanoi, Vietnam
Tel: 858 60 12

Human Rights Watch
Asia Division

Human Rights Watch is dedicated to protecting the human rights of people around the world.

We stand with victims and activists to bring offenders to justice, to prevent discrimination, to uphold political freedom and to protect people from inhumane conduct in wartime.

We investigate and expose human rights violations and hold abusers accountable.

We challenge governments and those holding power to end abusive practices and respect international human rights law.

We enlist the public and the international community to support the cause of human rights for all.

The staff includes Kenneth Roth, executive director; Michele Alexander, development director; Reed Brody, advocacy director; Carroll Bogert, communications director; Cynthia Brown, program director; Barbara Guglielmo, finance director; Jeri Laber, special advisor; Lotte Leicht, Brussels office director; Patrick Minges, publications director; Susan Osnos, associate director; Maria Pignataro Nielsen, human resources director; Jemera Rone, counsel; Wilder Tayler, general counsel; and Joanna Weschler, United Nations representative. Jonathan Fanton is the chair of the board. Robert L. Bernstein is the founding chair.

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Santoli, Al

From: Hai V Tran [tranh.aimd@gao.gov]
Sent: Wednesday, April 19, 2000 10:06 AM
To: Santoli, Al; BrunoJL@state.gov; Rees, Joseph; Rodriguez, Laura; Brookes, Peter
Subject: [Dr. Nguyen Dan Que and the expulsion of a French reporter]

Communique
Dr. Nguyen Dan Que
Cao Trao Nhan Ban, The Human Rights Movement

April 13, 2000

At 4 p.m. on April 12, 2000, a French lady reporter came to visit me. As she arrived at my home, a group of security police rushed in and stopped her from entering. In front of my home were tens of police personnel, in uniform as well as undercover. All roads leading to the house were barricaded or blocked by police vehicles with siren blaring, causing a disturbance. Many people, regardless of warning, gathered around the scene of security police surrounding and harrassing a foreigner.

Facing such an uncivil situation, I opened the door and invited the French reporter into my home. As she tried to step in, a group of security police personnel, led by a lieutenant colonel and a major, formed a human barricade in front of the door and stopped her.

Arguments between the French reporter and the police continued for nearly an hour. I heard the police saying that she was traveling with a tourist visa and therefore was not allowed to meet with Vietnamese nationals and her name was Sylvie de Pasquier of the French newspaper L'Express.

Finally at around 5 p.m, security police personnel used force to push her into their vehicle. The security police continued to station and control access to the area througout the night and were still loitering around the next morning.

During the argument in front of my home, I had to close the door because the police emphasized that the matter was between them and a foreigner without proper paper and violating the law. However, the French reporter insisted that she had all the legal papers and her visit with Dr. Nguyen Dan Que was her legitimate right of a free person.

On the afternoon of April 14, 2000 she was expelled from Vietnam by the communist government in Hanoi.

We strongly protest the disgraceful expulsion of the French reporter and denounce to the world public opinion the Vietnamese communist politburo's thuggish behavior in their systemantic violation of fundamental human rights, especially the right of seeking and receiving information.

We are calling on democratic nations all over the world, elected officials, international human rights organizations, especically media organizations, inside Vietnam and overseas, to raise their voice in support of the struggle against the reactionary ruling clique in Hanoi and demand them to respect basic human rights of the Vietnamese people, including freedom of expression and freedom of the press.

PRC Navy Improves Bases With Modern Facilities in Spratlys

CPP20000726000041 Beijing Jiefangjun Bao (Internet Version-WWW) in Chinese 26 Jul 00

[Report by special correspondents Wu Ruihu and Li Xiangdong: "Modern fortresses on the sea with improved combat readiness capacity and complete living facilities spring up on Nansha of motherland"]

[FBIS Translated Text]
In the Nansha [Spratly] Islands, where the sea and the sky merge into one, and endless land abounds in rivers and lakes, a modern fortress building on the sea has attracted people's attention: On top of the building, the five-star Red Flag was waving in the air, the satellite antenna
and radar were turning, and in front of the screen vigilant sentries were observing the vast expanse of wavy sea water and the boundless sky above the sea where clouds, driven by the wind, were rolling on with full force.

Recently, pleased by the sight at Yongshu Atoll on Nansha, these reporters were told by Gong Yunchong, commander of the garrison force on

Nansha, that the third generation of "tall houses," which are both sturdy and beautiful and equipped with modern equipment and living facilities
are springing up on Nansha of the motherland.

The small "tall houses" on a vast sea symbolize the People's Navy defending the sovereignty of the motherland, safeguarding the maritime rights of the state, and fulfilling their sacred duties. In this unimaginable harsh environment, the officers and men who keep guard on the atolls of
Nansha look upon Nansha as their homes in building Nansha, and consider guarding Nansha an important undertaking. With attention and support from the party and the people of the motherland, the servicemen have renovated successively the "tall houses" of the first and second generations, and built the permanent modern "fortress buildings on the sea" of the third generation. The officers and man have constantly improved conditions of combat readiness, patrolling and defense, basic living facilities, and logistics service. On the atolls, there are fast-reaction means of reconnaissance to observe conditions on the sea, in the air, and the situation of the enemy, and there is modern weaponry capable of fulfilling the tasks of counter-sneak raids, and counter-landing, and adaptable to conducting operations against sea and air
attack. In addition, there are modern facilities for power generation, which guarantee that motors and machines will operate and lights are bright all year round in the fortresses on the atolls. Moreover, there is modern communications equipment, which ensures unimpeded contact among atoll fortresses, command centers, and warships on duty at sea. These reporters also saw that on every atoll, storage tanks of fresh water which guarantee a water supply of several months were built in addition to flat and solid ports of call for supply boats and patrol boats. On
Yongshu and Zhubi Atolls, platforms for helicopters were built. As a result, "fortresses on the sea" which have basically complete facilities and
functions have been built.
[Description of Source: Beijing Jiefangjun Bao (Internet Version - WWW) in Chinese -- daily newspaper of the General Political Department of the People's Liberation Army (PLA), reporting on a wide range of military affairs]

Enclosed are:
1. Vietnam foreign investors say worries not addressed
2. Vietnam 2000 trade deficit to skyrocket
3. Vietnam urged investment for job

Reuters
Wednesday, June 21 2000

Vietnam foreign investors say worries not addressed

By David Brunnstrom

HO CHI MINH CITY, June 21 (Reuters) - Frustrated foreign investors hit out at the ``fanfare and hype" of communist Vietnam's reform process on Wednesday, saying many problems that had caused investment inflows to plummet had not been resolved.

Participants at a private-sector forum in Ho Chi Minh City complained of over-regulation, bureaucratic inconsistency and high costs relative to regional competitors, despite government pledges and legal moves supposed to improve the investment environment.

Timothy Reinhold, head of the forum's legal working group, said opportunities were missed when the National Assembly passed an amended foreign investment law earlier this month.

``Original amendments were announced with great fanfare and hype," he said. ``By the time they reached the National Assembly, what had started out as innovative ended as a mere shadow of its former self."

He said the watering down of proposed amendments, especially the scrapping of a provision that would have allowed a foreign-investor enterprise to list on the stock market Vietnam plans to open next month, sent the wrong message to investors.

He pointed to reviews of build, operate and transfer projects under negotiation in the energy, gas and steel sectors and failure to conclude a successful infrastructure project.

``It prompts one to ask the question whether those currently directing policy really want foreign participation in the development of the country," he said.

INVESTMENT WAY OFF MID-1990s PEAKS

Foreign investment was down to around $500 million last year from peaks of $2.8 billion a year in the mid-1990s.

Reinhold said investors could live with legal shortcomings if it were not for over-regulation, lack of understanding of the

dynamics of a market economy, inconsistent application of laws and high business costs.

The Singapore Business Group reiterated calls for an end to discriminatory pricing, amendments to rules on value-added tax and greater flexibility in employment and income tax regulations.

The head of the banking group, Lawrence J. Wolfe, said banks wanted to see the elimination of artificially high ceilings on loan rates, while the Hong Kong Business Association urged greater efficiency in the quota system for garments.

The Australian Business Group listed restrictions on exploitation rights that had prevented major foreign investment in mining.

Vietnam's Minister of Planning and Investment Tran Xuan Gia appeared generally unsympathetic to investor complaints, many aired a year ago and greeted then with promises of change.

This time he pointed to ``tangible improvements" in the economy this year.

Asked about gripes with the amended foreign investment law, he replied: ``There's no legislation anywhere in the world that can satisfy everyone."

Diplomats say Vietnam's reform implementation and ability to conclude contract negotiations appeared hamstrung by the ninth congress of the ruling Communist Party due next March.

Congresses, held every five years, are Vietnam's supreme political and policy-making events and tend to see the replacement of officials deemed to have failed in their duties -- for instance, by not securing the best terms from big foreign projects.

``What investors needed to see is one big success; one big project licensed and up and running to boost confidence," said a meeting participant. ``But I don't think there is going to be any major progress until after the congress.".

02:30 06-21-00

Reuters
Wednesday, June 21 2000

Reuters
Thursday, June 22 2000

Vietnam 2000 trade deficit to skyrocket

HANOI, June 22 (Reuters) - Vietnam's trade deficit could surge to $1 billion in 2000 from $113 million in 1999 because of higher prices for imports of petroleum products, the Vietnam News daily quoted the Trade Ministry as saying Thursday.

Vietnam paid around $746 million for imported petroleum products in the first five months of the year, up 129.5 percent from a year earlier, official statistics show.

Adding to the problem, exports by domestic enterprises rose just 0.7 percent in the period compared with the same period of 1999,

the daily said.

Ministry officials were not available for comment.

The export sector performed strongly in 1999, helping to shrink the trade deficit to $113 million from $2.03 billion in 1998.

Vietnam's exports rose by 23.1 percent to $11.523 billion for all of 1999 against $9.356 billion in 1998.

Late on Wednesday, U.S. and Vietnamese trade negotiators agreed to meet in July in hopes of completing a market-opening pact that would tear down trade barriers between the former enemies, U.S. officials said.

``We are now trying to arrange a date,'' a senior U.S. administration official said.

The meeting is expected to take place in early July.

Last month, U.S. Trade Representative Charlene Barshefsky invited Vietnam Trade Minister Vu Khoan to visit Washington to resume talks on the long-stalled trade pact, which would reduce tariffs on goods and services, protect intellectual property and improve investment relations between the two countries.

This week Khoan accepted the invitation.

Vietnam's exports to the United States, which include textiles, processed rice and a wide range of other products, could more than double, from the 1996 baseline of $338 million to $786 million, according to a November 1999 World Bank report.

01:04 06-22-00

Vietnam urged to stimulate investment for jobs

By David Brunnstrom

HO CHI MINH CITY, June 21 (Reuters) - World Bank experts told a private-sector forum in communist Vietnam on Wednesday Hanoi must stimulate dwindling foreign investment to ensure sufficient growth to find jobs for more than 3,000 people joining its workforce each day.

They said Vietnam had taken some important steps to open up its economy in the past year and there had been some encouraging signs of economic recovery.

But they said more needed to be done to improve competitiveness with regional countries to boost foreign investment inflows which have fallen to about $500 million a year from peaks of around $2.8 million a year in the mid-1990s

``A number of very important measures have been taken and we see the beginnings of a very, very encouraging recovery on the domestic side,'' World Bank country manager Andrew Steer said at a forum in Ho Chi Minh City, Vietnam's main business hub.

``At another level, we see the same level of discouragement within the international business community and foreign direct investment is still very low.''

http://abcnews.go.com/wire/World/reuters20000807_528.html

WIRE:08/07/2000 07:00:00 ET
Hanoi hails Marx, Lenin, Ho, says socialism to win

HANOI, Aug 7 (Reuters) - A draft of a key report for the Vietnamese Communist Party"s five yearly congress hails the teachings of Marx, Lenin and Ho Chi Minh and says the world will inevitably move towards socialism this century. However, the draft political report published in the Monday edition of the Communist Party daily Nhan Dan, reiterated a commitment to free-market reform launched 15 years ago. It said Marxism-Leninism, and the ideas of revolutionary leader Ho Chi Minh, had been "creatively" applied to suit Vietnam"s reforms and there was no turning back on these. "During the process of reform, it is essential to persist with the goal of national independence and socialism based on Marxist-Leninism and Ho Chi Minh ideology. "This is the core standpoint." The draft, presented to a party meeting last month, will be sent for discussion in the provinces before a final version is submitted to the Ninth Party Congress in March for adoption. Congresses are used in a communist system like Vietnam"s to set the political and economic tone for the next five years. The draft said Vietnam would have to overcome many challenges, including a low level of economic development, a widening gap between it and other countries and increasing corruption and bureaucracy. It reiterated concerns about "political and moral decline" among party members and that some party and government resolutions had not been strictly obeyed. It stressed the need to ensure national unity and said party members needed to be open "to accept different points, which are not contrary to the common interest of the nation." "The party has been slow to reform its management methods," the draft said. "Contradictions between the people and party and government organisations have occurred in some places, causing discontent among people." It conceded that socialism had "ebbed," but only temporarily and added: "There

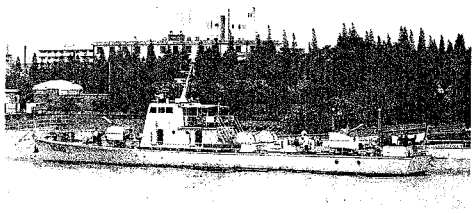
(TAIWAN) DEFENSE TECHNOLOGY MONTHLY MAY 2000

South Sea Fleet of PLA Navy

中共解放軍南海艦隊

南海艦隊是在中南軍區海軍的基礎上建立的。1952年，第44軍的作戰師併入第54軍後，第44軍軍部組成中南軍區海軍，後改名為南海艦隊。組建之初的南海艦隊可謂寒傖之極，只有一些破舊的砲艇，甚至還用鐵殼漁船裝上機槍作為水面巡邏艇，而當時北海艦隊擁有從蘇聯買來的全部4艘「鞍山級」驅逐艦；東海艦隊有從國府海軍那裏接收來的大型護衛艦和國產「海鷹」魚雷快艇大隊。但這個「鑼齊鼓不齊」的艦隊，卻打贏了兩場對中共來說至關重要的海戰：1970年代的西沙之戰和1980年代的南沙之戰。兩場戰爭收復了西沙全部和南沙的部分島嶼，為南中國建立了海上安全屏障，獲得了廣闊的海洋領土，為取得南海資源提供了陸基保障和法律上的依據。

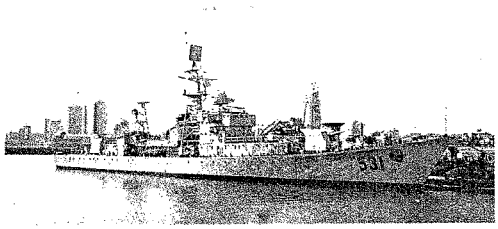
（下）南海艦隊組建之初只有一些破舊的砲艇，及鐵殼漁船改裝的水面巡邏艇。



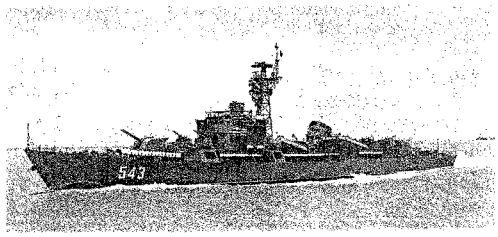
西沙之戰

1970年代初，南越的阮文紹政府企圖乘大陸內部鬧「文革」，而美國與北越又打得焦頭爛額之際，公然侵佔西沙群島。南越海軍的總噸位雖不比中共海軍強，但由於中共海軍的大型艦艇都部署在北海艦隊，比之南海艦隊，南越海軍還是佔有海上優勢。那時蔣中正總統怕大陸北海艦隊大型水面艦艇南下後，形成對臺灣的南北夾擊之勢，命令對

南下經過臺灣海峽的大型艦艇一律予以擊沈。不過在西沙之戰接近尾聲時，中共東海艦隊 2 艘 053K(北約稱「江東 I 級)護衛艦馳援南海艦隊；在經過臺灣海峽時，台灣國防部值班室請示蔣中正總統要不要打，蔣總統以「南海形勢吃緊啊」一句話，讓這 2 艘護衛艦順利南下。就是在這樣毫無優勢和勝利把握的情況下，毛澤東仍下令發動作戰。面對南越最大 1700ton 的護衛艦，南海艦隊迎戰的是架著機槍的漁船和最大噸位只有 500ton 的獵潛艇。憑著所謂「一不怕苦，二不怕死」的精神，最後打退了南越海軍，收回了永興島、珊瑚島、東島、中建島等 7 個西沙島嶼。



(上) 作者指稱江東級護衛艦曾通過台灣海峽南下參加西沙之戰。圖為應瀧號。
(下) 1980 年代南海艦隊已配署許多大型艦艇。圖為 053H 型護衛艦丹東號。



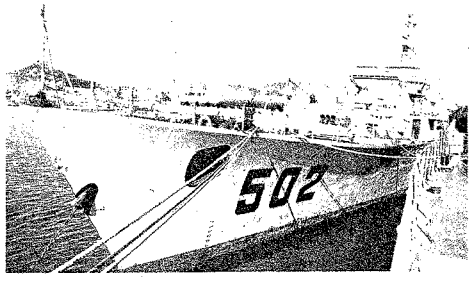
南沙之戰

1970 年代末期，隨著南海海底油氣資源的發現和勘探，南海周邊一個又一個國家開始提出對南海島嶼的領土主張，那些本來只有漁民或海盜避風遮雨時才會光顧的島嶼和島礁，被周邊國家一個一個地佔據或劃入自己的版圖，有的還利用外資開發起海底的油氣資源。而當時，中國的版圖雖然南達南海的曾母暗沙，但實際上只有台灣的海軍陸戰隊駐守在南沙太平島。

1987 年 3 月，聯合國教科文組織政府間海洋學委會第 14 次會議決定，由中國在南沙群島建立第 74 號海洋觀察站。當時中共與越南兩國正在陸地邊界交惡、外交關係降至冰點，在標在中國版圖的島嶼上打一場海使收回領土，名正言順，完全符合正義。

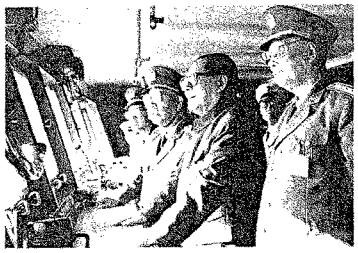
這時的中共海軍，與越南海軍相比已經有絕對的優勢。南海艦隊裝備了大陸自製 1000 多噸的 053H 型導彈護衛艦，又有東海艦隊的配合，要想打贏並沒有太大問題。

(下) 曾參加南沙之戰的江南級護衛艦兩充號。圖中可見 100mm 主砲與後方機砲。



1988 年 1 月 23 日，以南海艦隊江湖 I 型護衛艦宜賓號(舷號 552)為旗艦的編隊，到達南沙群島海域。當編隊行進至太平島附近海面時，拉響了汽笛，向駐守在那裏的台灣海軍官兵致意。經台灣駐太平島守軍的默許，編隊所有艦艇在太平島停駐 1 個星期，補充了淡水和主副食品，並藉此瞭解越軍在各礁盤上的活動情況，尋找登礁和應敵的突破口。

1988 年 1 月 31 日，宜賓艦接到考察永暑礁的命令，副導彈水雷長段成清帶領 6 名官兵駕駛小艇登上永暑礁。下午 4 點，第一面五星旗懸掛在永暑礁上。這是中共旗幟第一次飄揚在南沙群



（上）視察南海艦隊的中共國家主席江澤民。

（下）護衛南海主權完整是南海艦隊與其陸戰旅的責任。

島上。

越軍隨即加緊反擊，伺機進行破壞和搗亂。2月2日，越南海軍171艦隊125運輸旅派出大批艦船到達南沙、搶佔礁盤。戰鬥一觸即發。

1988年3月14日，「中」、越兩國海軍在赤瓜礁開戰。越南604艇的機槍首先開火掃射，中共江南級護衛艦南充號(艦號502)艦上的機槍亦開火，緊接著前主砲射出第1發砲彈，炸飛了越艇上的機槍。越604艇的艙窗口伸出1枚火箭筒，中共機槍手一個點射讓火箭筒退了回去。這時502艦上的37mm快砲、100mm主砲一齊開火，4分鐘後，越604艇起火下沈。

9時整，中彈13發的越南505登陸艦終於打出了一面白旗。這艘505艦是中共在14年前的1974年3月無償援助越南的。14年後，505艦上的菜盤、茶杯、桌椅上還清晰地保留著「中國人民海軍南海艦隊」的字樣。

這次南沙之戰，中共南海艦隊在東海艦隊的配合下，擊沈敵艇1艘，擊傷4艘，擊斃、擊傷越軍60餘人，俘虜40多人，其中含中校軍官1人。共軍艦艇輕傷3艘，死亡6人，傷18人，收回了南沙群島的永暑、華陽、東門、南薰、渚碧、赤瓜共6個島礁，填補了中共對南沙群島實際佔領的空白點。

至此以後，中共海軍開始重視南海艦隊大型艦艇的部署。1994年開始部署核潛艦，1999年並將目前中共自製噸位最大的054型導彈驅逐艦深圳號(艦號167)配備給南海艦隊。目前，南海艦隊的海上綜合作戰能力已超過南海周邊的任何一個國家的海軍。

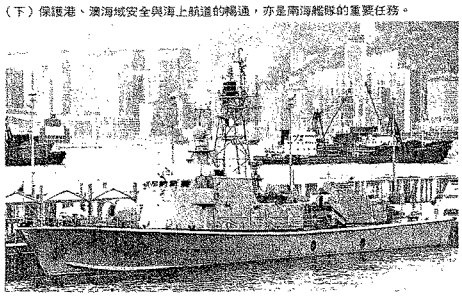
三大艦隊中防區最大

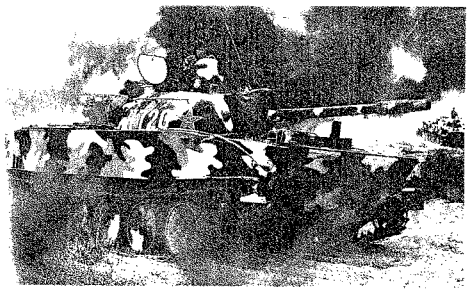
南海艦隊的防務範圍，是從廣東省南澳島以南至曾母暗沙的廣闊南中國海域，地理上包括北部灣以及東沙、西沙、中沙、南沙群島等島嶼和海洋領土。南海艦隊是三大艦隊中防禦海區面積最大的艦隊。

南海艦隊的主要任務是保衛華南沿海及海南島的安全，守衛西沙、南沙等中共在南中國海擁有的島嶼，對與中共有領土糾紛的東南亞國家實施海上威懾，必要時收回被佔據的島礁和島嶼，維護中共自身的海上權益。

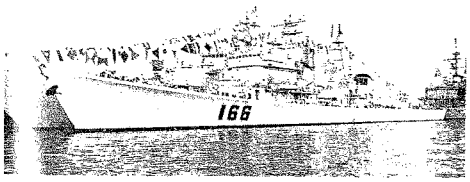
香港、澳門回歸以後，保護兩地的海域安全，特別是香港及珠江三角洲各港口海上航道的暢通，是南海艦隊的重要任務。南海海域領土紛爭的複雜性，使肩負守護之責的南海艦隊必須在複雜多變的國際環境中，以軍事實力為中共的政治、外交鬥爭提供後盾，使價值幾百億人民幣的裝備獲得其國家利益的最大產出。

（下）保護港、澳海域安全與海上航道的暢通，亦是南海艦隊的重要任務。





:）海軍陸戰旅曾配合南海艦隊與其他單位進行三軍聯合登陸作戰演習。
'）作者宣稱旅大III級驅逐艦已有 3 艘，但據了解應只有圖中的 166 珠海號。



999 年 9 月下旬，南海艦隊
各 和海軍陸戰旅在與第 42 集
國 慶州軍區空軍聯合進行的
三 陸作戰演習中，對封閉敵
方港口和近海海域、摧毀敵方通訊指揮所和灘頭火力點、運送陸軍登陸等進行了實戰演練。演習結束後，南海艦隊司令員文國慶向張萬年保證，南海艦隊有信心、有把握完成中央軍委賦予的一切任務。

南海艦隊的海軍陸戰第 1 旅，參加了中共建政 50 周年的國慶閱兵。第 1 陸戰旅長年維持著較高的訓練水平，中共宣稱其兩棲作戰能力「絕對達到世界一流水平」，是中共軍隊中戰鬥力最強的單位之一。這支部隊除用於鎮守南海島嶼，也可能用於未來對台的突擊作戰之中。

南海艦隊主力艦艇一覽

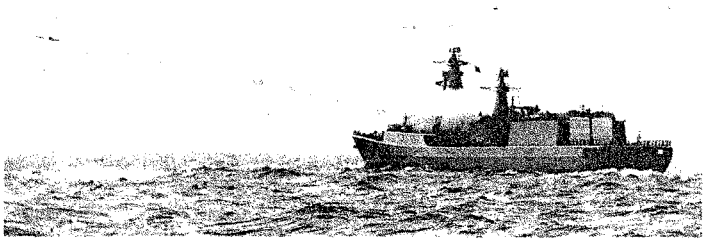
南海艦隊現有艦艇 350 多艘，其中驅逐艦 9 艘，護衛艦 17 艘，核潛艦 3 艘，柴電動力潛艦 21 艘。自 1980 年代末以來，南海艦隊大型艦艇數量增長很快，已成為三大艦隊中驅逐艦與護衛艦數量最多的艦隊。

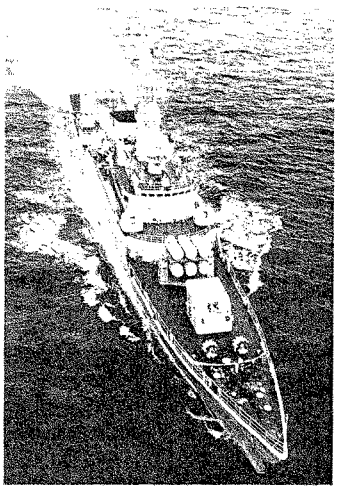
驅逐艦

南海艦隊現擁有導彈驅逐艦 9 艘，數量上已超過北海艦隊，是三大艦隊中擁有驅逐艦最多的艦隊。南海艦隊大型水面艦艇的急速增加，與近年來南中國海的緊張情勢有關。

這 9 艘艦包括：051 型(北約

（下 4 型（旅海級）驅逐艦煙台號是南海艦隊最先進的自製導彈驅逐艦。由本圖可清楚看到其艙面的武器配置。





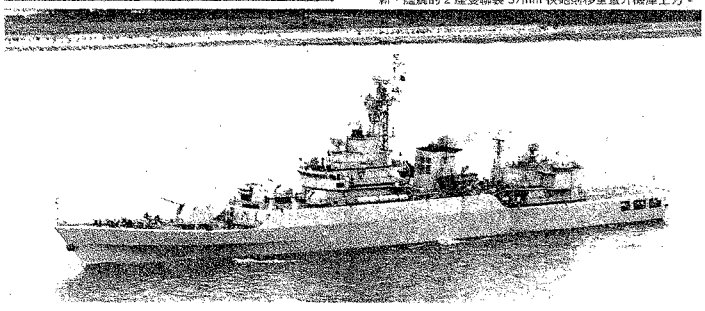
（上）進行 C-802 反艦飛彈試射的旅海級驅逐艦煙台號。該艦共可攜帶 16 枚反艦飛彈。
（左）江衛級護衛艦艦艦 01 甲板裝有 6 聯裝紅旗 61 防空飛彈。

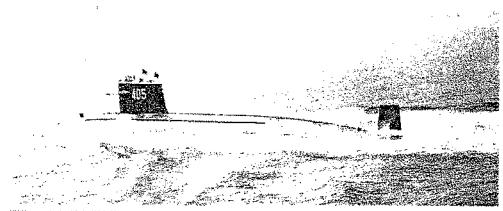
稱「旅大」級)5艘；051改進型(北約稱「旅大III」級)3艘，其中166艦曾參加112編隊訪問過美國，是051型中改進最為成功的艦型。在167艦加入南海艦隊以前，是艦隊最先進的導彈驅逐艦；054型(北約稱「旅海」級)1艘，054型驅逐艦是中共海軍最新型的國產驅逐艦，目前全海軍只有這1艘，1999年剛加入現役，1999年在黃海海域舉行的一次訓練演習中，成功地試射了1枚C-802鷹擊反艦飛彈，《艦船知識》2000年第1期上有其發射時的照片。167艦剛完成改裝，安裝了中共自製的垂直發射系統(VLS)和最新型的相控陣雷達，是中共自製第1艘有區域防空能力的作戰艦。

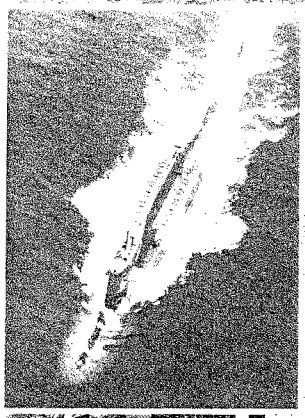
護衛艦

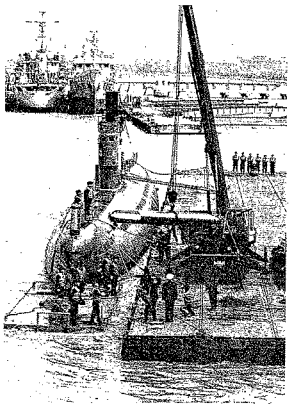
053H3型(北約稱「江衛II」級)1艘；053H2G型(北約稱「江衛」級)1艘；053HT型(北約稱「江湖V」級)4艘；053H2型(北約稱「江湖III」級)2艘；053H1型(北約稱「江湖II」級)7艘，這

（下）053H3型(江衛II級)護衛艦的防空飛彈換裝為紅旗7型，並移至向前延伸的02甲板上。而艦舶100mm艦砲亦予更新，艦橋的2座雙聯裝37mm快砲則移至直升機庫上方。









（上）作者指出南海艦隊擁有 2 艘 091 改進型(漢級)核動力攻擊潛艦。
（左）外界一般認為中共只有 1 艘 092 型（夏級）核動力彈道飛彈潛艦。但有不同消息指出 092 型總共造了 2 或 4 艘，而其艦號全是 406。
（右）035 型（明級）傳統柴電動力潛艦。
（下）039 型（宋級）柴電動力潛艦。目前中共已擁有 2 艘。

其中艦號為 552 的宜賓艦，就是在南沙之戰中立下赫赫戰功的功勳艦。同時參加戰鬥的鷹潭號(艦號 531)等 053K 型護衛艦已退出現役，現在陳列在青島海軍博物館。

核動力潛艦與柴電動力潛艦

091 改進型(北約稱為「漢」級)核動力攻擊潛艦 2 艘；092 型(北約稱為「夏」級)彈道飛彈核潛艦 1 艘。美國海軍情報部門根據偵察，只發現過 1 艘屬於夏級的彈道飛彈潛艦。據此，西方情報界認為，中共只有這一艘 092 型潛艦。但有消息說，092 型總共造了 4 艘，艦號全是 406、內部以甲、乙、丙、丁區分。除 1 艘因為試驗時發生核泄漏報廢外，在役的還有 3 艘，不過都已經過改裝，裝的是比巨浪一型更先進的固体燃料彈道飛彈。

南海艦隊擁有的柴電潛艦主要是 035 型(北約「明」級)，共有 6 艘，其餘是 R 級等老式潛艦。但也有消息說，已有 1 艘 039 型(宋級)在役。

在「兩國論」以後，台灣海空軍為壓毀的 1 架 F-16 進行打撈作業時，曾因發現 1 艘不明國籍的潛艦而停止打撈 7 小時，緊急進行海空聯合搜索，結果仍一無所獲。據說，這得台灣海空軍如此緊張的就是大陸的 359 號明級潛艦。

2000.08.30@2:03am Taiwan time updated
China Times

Agence France Presse

ASEAN Diplomats Come Up Empty Handed in Spratlys Talks with China

MANILA, Aug 29 (AFP) - Diplomats from the Association of Southeast Asian Nations (ASEAN) failed to convince China to agree to a "code of conduct" to ease tensions in the disputed Spratly islands and other areas in the South China Sea, Philippine officials said Tuesday.

Philippine Foreign Undersecretary Lauro Baja said the meeting between ASEAN and Chinese diplomats last weekend in the Chinese city of Dalian failed to make progress because all the officials taking part lacked a mandate.

Diplomatic sources who attended the meeting said the officials taking part refused to make any substantive changes in their positions.

Baja said the issue should be taken up by higher-ranking officials such as deputy foreign ministers, possibly at an ASEAN senior officials' meeting in Hanoi in October.

The Philippines has been pushing ASEAN and China to agree to a code of conduct not to occupy any new islets in the disputed Spratly islands in the South China Sea.

This was prompted by China setting up structures in Mischief Reef in the Spratlys in 1995 despite rival claims from some ASEAN members.

The Spratlys is a chain of islands in the South China Sea wholly or partially claimed by China and Taiwan as well as ASEAN members Brunei, Malaysia, the Philippines and Vietnam.

All but Brunei have troops on some of the islands which are believed to sit on vast mineral resources and are considered a potential flashpoint in the region.

The other ASEAN members are Cambodia, Indonesia, Laos, Myanmar, Singapore and Thailand.

Wednesday September 06 08:48 AM EDT

Annual U.S. report on religious freedom sharply rebukes Hanoi

BY MARK MCDONALD , Mercury News Vietnam Bureau

HANOI -- They show up twice a week, Wednesday nights and Sunday mornings, 15 or 20 of them quietly arriving in twos and threes, all of them crowding into Mai's apartment in a shabby housing block in Hanoi.

Mai tells the neighborhood snoops that the people stop by to learn English, but they actually come to pray together, study gospel lessons and share their photocopied Bibles.

This is a house church in Vietnam -- small, secret and dangerous.

House churches have proliferated throughout Vietnam in recent years, although the security police restrict such gatherings and there are any number of vague laws and decrees that prohibit them.

This sort of governmental suppression and control of religion came under sharp criticism from the United States on Tuesday as the State Department released its annual Report on International Religious Freedom.

Vietnam was among several ``totalitarian or authoritarian regimes'' specifically rebuked for their religious restrictions. Other countries cited were Afghanistan, Burma, China, Cuba, Laos and North Korea.

NATIONAL LEAGUE OF POW/MIA FAMILIES

STATUS OF THE POW/MIA ISSUE: September 18, 2000

1,994 Americans are still missing and unaccounted for from the Vietnam War, though 459 were at sea/over water losses: Vietnam - 1,500 (North, 532; South, 968); Laos - 421; Cambodia - 65; Peoples Republic of China territorial waters - 8. The League seeks the return of all US prisoners, the fullest possible accounting for those still missing and repatriation of all recoverable remains.

The League's highest priority is resolving the live prisoner question. Official intelligence indicates that Americans known to have been alive in captivity in Vietnam, Laos and Cambodia were not returned at the end of the war. In the absence of evidence to the contrary, it must be assumed that these Americans may still be a live. As a matter of policy, the U.S. Government does not rule out the possibility that Americans could still be held.

Unilateral return of remains by the government of the Socialist Republic of Vietnam (SRV) has been proven an effective means of obtaining accountability. A comprehensive wartime and post-war process existed in Vietnam to collect and retain information and remains. For this reason, unilateral SRV efforts to locate and return remains and provide records offer significant short term potential. Vietnam's recent decision to establish a Special Research Cell of senior personnel to support their government's unilateral efforts was encouraging, a positive response to the May 1999 League Delegation. The Defense Department's case-by-case review and other evidence reveal that unilateral SRV efforts could bring many answers. Archival research in Vietnam has produced thousands of items, documents and photos, but the vast majority pertain to accounted-for Americans.

Extensive field activities in Vietnam, Laos and Cambodia have brought results through joint recovery or turnover in the field of remains fragments. From that process, 228 Americans (116-VN; 97-LA; 15-CB) have thus far accounted for by the Clinton Administration, all as a result of joint field operations.

Joint field operations in Laos are productive, but the U.S. is seeking greater flexibility while our teams are in-country. Agreements between the U.S. and the Indochina governments now permit Vietnamese witnesses to participate in joint operations in Laos and Cambodia when necessary. POW/MIA research and field activities in Cambodia have received excellent support. Over 80% of U.S. losses in Laos and 90% of those in Cambodia occurred in areas where Vietnamese forces operated during the war; however, Vietnam has not yet responded to numerous U.S. requests for case-specific records on loss incidents in these countries. Records research and field operations are the most likely means of increasing the accounting for Americans missing in Laos and Cambodia.

Despite U.S. intelligence assessments and other evidence that hundreds of Americans can best be accounted for by unilateral Vietnamese efforts to locate and return remains and provide relevant documents and records, President Clinton has consistently certified to Congress that Vietnam is "fully cooperating in good faith" to resolve this issue. The League supports steps by the U.S. to respond to concrete results, not advancing political and economic concessions in the hope that Hanoi will respond.

President Clinton lifted the trade embargo, established the U.S. Embassy in Hanoi, normalized relations, and posted a U.S. Ambassador to Vietnam; the burden is squarely on the current administration to obtain increased accountability.

NATIONAL COMBINED FEDERAL CAMPAIGN ELIGIBILITY #1174

POW/MIA STATISTICS

Statistics are provided by the Defense POW/MIA Office (DPMO)

Live Sightings: As of September 18, 2000, 1,908 first-hand live sighting reports in Indochina have been received since 1975; 1,879 (98.48%) have been resolved. 1,309 (68.61%) were equated to Americans now accounted for (i.e. returned POWs, missionaries or civilians detained for violating Vietnamese codes); 45 (2.36%) correlated to wartime sightings of military personnel or pre-1975 sightings of civilians still unaccounted for; 525 (27.52%) were determined to be fabrications. 29 (1.52%) unresolved first-hand reports are the focus of current analytical and collection efforts: 26 (1.36%) are reports of Americans sighted in a prisoner situation; 3 (.16%) are non-POW sightings. The years in which these 29 first hand sightings occurred is listed below:

Year	Pre-76	76-80	81-85	86-90	91-92	93-94	95-96	97-99	Total
22	3	0	2	0	0		1	1	29

Accountability: At the end of the Vietnam War, there were 2,583 unaccounted for American prisoners, missing in action or killed in action/body not recovered. As of September 18, 2000, 1,994 Americans are still missing and unaccounted for, over 90% of them in Vietnam or in areas of Laos and Cambodia where Vietnamese forces operated during the war. A breakdown of the years during which the 589 Americans were accounted for follows:

1974-1975	Post war years:	28
1976-1978	US/SRV normalization negotiations:	47
1979-1980	US/SRV talks break down:	1
1981-1984	1st Reagan Administration	23
1985-1988	2nd Reagan Administration	154
1989-1992	Bush Administration	108
1993-1996	1st Clinton Administration	191
1997-	2nd Clinton Administration	37

Unilateral Vietnamese government repatriations of remains with scientific evidence of storage have accounted for only 167 of the 423 from Vietnam; all but 3 of the 148 Americans accounted for in Laos have been the result of joint excavations. The breakdown by country of the 589 Americans accounted for from the Vietnam War:

Vietnam	423*	Laos	148*
China	2	Cambodia	16

*4 remains were recovered from indigenous personnel; 1 from North Vietnam and 3 from Laos. In addition, one person identified was actually recovered in Vietnam before the end of the war.

For the latest information, call the League's Update Line, (202) 659-0133, 24-hours a day, and log onto the

League web site: www.pow-miafamilies.org

VIETNAM'S ABILITY TO ACCOUNT FOR MISSING AMERICANS

September 18, 2000

Family members, veterans organizations and other League supporters throughout the country have consistently opposed steps to improve economic and political relations until Hanoi makes the decision to cooperate fully to resolve the POW/MIA issue. The League supports a policy of reciprocity - steps by the U.S. to respond to efforts by Vietnam to locate and return remains and provide case-specific POW/MIA-related documents. The League supports a policy of reciprocity, but opposes steps in advance, in the hope that Vietnam will act in good faith.

One way of viewing what the U.S. knows and what Vietnam can do is by looking at what Vietnam has not, but could have done. At the end of the war, U.S. intelligence and other data confirm that over 200 unaccounted for Americans were last known alive or reported alive and in close proximity to capture. Vietnam knows that these are highest priority cases, directly related to the live prisoner issue. In over 100 of these cases, joint field investigations have reportedly been sufficient to confirm death. If true, remains of these Americans logically should be the most readily available for return since they were in captivity or on the ground in direct proximity to Vietnamese forces. Yet, Vietnam has accounted for very few of these Americans by returning identifiable remains.

U.S. wartime and post-war reporting on specific cases, captured Vietnamese documents concerning the handling of U.S. prisoners and casualties, and debriefs of communist Vietnamese captives, reinforced by U.S. monitored directives and other reporting, form a clear picture of a comprehensive Vietnamese system for collection of information and remains, dating back to the French-Indochina War. Specific sources, such as the mortician in 1979, substantiated by others in the 1980's, highlighted remains collection and storage as a key aspect of Vietnam's policy for eventual dealings with the U.S.

Assessments by community-wide intelligence served as the basis for long-standing U.S. expectations that hundreds of Americans could readily be accounted for by unilateral Vietnamese actions to locate and return remains. In 1986-87, the entire intelligence community maintained much higher estimates, but the numbers were subsequently further screened to establish the most realistic targets for the Vietnamese government to meet.

During the war and since, the Vietnamese communists placed great value on the recovery and /or recording of burial locations of U.S. remains. In wartime, if jeopardized by imminent discovery or recovery by U.S. forces, burial was immediate to hide remains, which were disinterred and photographed when possible, then reburied or transferred to Hanoi when feasible. Evidence of this process is confirmed by U.S. intelligence.

Forensic evidence serves as another basis for establishing expectations. Scientific evidence of above or below ground storage, or both, exists on 167 of the 423 identified remains returned from Vietnam since the end of the war. This number, confirmed by CILHI forensic scientists, is far below U.S. expectations, based on reliable intelligence indicating that hundreds more were stored by the Vietnamese government,and, if Vietnam's leaders issue authorization, could be repatriated.

Manila Times
The Nation's Most Trusted Newspaper
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. Internet Edition

China fortifies hold on Spratlys

By Annie Ruth Sabangan, Johnna Villaviray, and Raffy Jimenez, *Reporters* JANUARY 21, 1999

WHILE Manila and Beijing haggled over when to start talks on the Spratlys Island dispute, the Chinese were hurriedly but quietly undertaking a massive expansion of its structures on Mischief Reef.

Parañaque Rep. Roilo Golez yesterday revealed what appeared to be a five-story fortified structure being built by the Chinese on Mischief Reef, which is also being claimed by the Philippines. full story

EFFICIENT, ARENT THEY? Photos show speed of construction of Chinese structures on Mischief Reef. Inset photo, taken last month, shows only the base of the largest structure. Center photo, taken last Jan. 15, shows scale of the construction. Photos from DND, Rep. Roilo Golez

Editorial: A stinking mess
Garbage. That is now one of the biggest problems that Metro Manil residents face, and smell. full story

Business: DoF sees $5.5 B inflow in March
The Philippines will receive $5.5 billion in new loans by the end of March to help kick-start the flaggi economy, Finance Undersecretary Joel Banares said yesterday. full story

Sports: Unified body to form RP teams
The country's major basketball leagues are amenable to the idea o forming a unified body which will in charge of assembling teams for international meets. full story

Entertainment: After Bonifacio, Gardo plays Rizal in Sisa
Gardo Versoza was supposed to spend the Christmas holidays in th States to see a love child of his he hasn't seen for a long time. full sto

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Parañaque Rep. Roilo Golez yesterday revealed what appeared to be a five-story fortified structure being built by the Chinese on Mischief Reef, which is also being claimed by the Philippines.

The Philippines had protested the Chinese activities on the reef as far back as 1995, when the Chinese first set up octagonal structures in the area. The Chinese then claimed the structures were merely emergency shelters for fishermen.

The new structure, photos of which were distributed by Golez to newsmen, dwarfed the octagonal structures. Far from being semi-permanent structures as earlier claimed by China, the new building appeared to be made of cement.

Golez raised the alarm over the construction of the new building, saying it showed China's intent to build a military base on the disputed reef.

"China lied about its interest in the Spratlys. With these developed structures, Chine can intimidate all kinds of people including the Philippines. This is probably the most serious security threat the country is facing right now," Golez said.

The row over Mischief Reef will be one of the main issues to be discussed during the National Security Council meeting today in Malacañang.

Clear threat

Golez said the building poses a clear threat to the Philippines, since it could be used for communications, anti-aircraft guns, and radar systems to monitor aircraft and ships in the area.

More importantly, Golez said, the structures could be part of China's forward defense and offense, housing equipment to guide weapons such as short- and long-range cruise missile systems.

The reef is just 120 nautical miles from Palawan and within the Philippines' exclusive economic zone.

Rushed construction

Golez said the aerial photograph was taken at an altitude of 300 feet last Jan. 15. He refused to say who took the picture. The solon merely indicated that the photo did not come from the Philippine military.

Golez said he was surprised at the speed of the Chinese construction. The five-story structure was not yet there when Golez and US Congressman Dana Rohrabacher flew over the site onboard a Philippine Air Force C-130 cargo plane last Dec. 15.

Golez said they only saw the base of a small, building which was

China fortifies hold on Spratlys
Marcos deal over in two weeks
'Mindanao situation very tense'
Court sets date of Leo's execution
Why many survived the Laguna pagoda tragedy
Palau consul: Fake, no; too excited yes
Sexual abuse tops crimes vs kids
SC orders trial of accused in Kuratong ruhout case
Garbage 'standoff' ends
Lapid to pals: Calm down
Retrenched workers up 128% in '9

He said this position had already been conveyed to Chinese authorities.

Siazon said the Chinese have already taken note of Manila's proposed agenda for the talks--the joint use of the structures built on Mischief Reef--and are currently preparing a counterproposal.

Unified stand

At the same time, the Department of Foreign Affairs is expected to push for a unified government stand on the Spratlys issue during the meeting of the National Security Council today.

Citing the confusion caused by the country's dual policy towards claims in the disputed Spratlys, the DFA wants government to come up with a clear cut policy to address the issue.

While some officials are pushing for a more aggressive strategy to claim Mischief Reef, there are other moves to relegate to the "backburner" the country's claim over the Spratlys.

The source pointed out that nothing will happen to the Philippines' claim to the Spratlys unless the government declares a unified policy. He noted that Beijing had been successfully dodging bilateral motions to address the conflicting claims.

The source maintained that it is best to focus on the claim over Mischief Reef on the basis of the 200-mile EEZ provided by the United Nations Convention on the Law of the Sea (Unclos).

"We need a clear-cut policy for Mischief Reef that is easily defensible to the international community. They're all signatories to Unclos, so they must recognize our EEZ," the source explained.

No joint use

As if to emphasize the differences in policies, an official of the Department of National Defense said they were reluctant to enter into any joint use agreement with China over Mischief Reef unless the nature of the structures were clearly defined.

The official, who requested anonymity, said Mercado is also likely to bring this matter up when the National Security Council convenes today in Malacañang.

"It is not so much about the joint use of [Mischief Reef] but a clarification should be made first about the nature of the structures in the area," the DND official said.

"As a condition to discussing a possible joint use, the nature and character of the structures should first be made as well as the eventual dismantling of military structures," the official added.

Downplay sightings

At the same time, Siazon downplayed concerns over the repeated sightings of Chinese naval vessels in the area.

He pointed out that the Spratlys is classified as "high seas" and it is normal for vessels of various types and origin to use the waterway.

"We've sighted boats before, depende kung anong ginagawa. Kahit na sa EEZ mo, kung may frigate, nag-innocent passage lang ako," he explained. [It depends on what they're doing. Even if it's a frigate passing by your EEZ, they might say it's just innocent passage.]

He said they have to be careful with complaints of Chinese intrusions, since the Chinese could easily protest the presence of Philippine vessels in the area.

still almost entirely underwater.

But the photos taken a week ago, Golez said, "clearly shows the Chinese capability to convert the entire Mischief Reef together with the spacious lagoon, into a complete, high-tech military base in just one day."

'Shocking'

The photo showed a multi-story building set on top of a wide base, dwarfing both the octagonal structures and the barracks-like building beside it.

The construction of the building did not appear to be complete yet, although there appeared to be a "pagoda-like structure" on the fifth floor, Golez said.

"It is shocking how fast the Chinese can construct such huge structures in so short a time. The area where the huge building now stands used to be almost underwater a little over a month ago when Cong. Rohrabacher and I flew over the area," Golez added.

US participation

Golez cited the need to include the United States in any discussion with China over the Spratlys and the Mischief Reef issue.

"I fully agree with and support the stand of the President and Defense Secretary Orly Mercado and the entire executive department to urge the participation of the US in any talks to resolve the Spratlys issue. We cannot negotiate alone with China for to do so would result in a one-sided talk where the Philippines could lose more in terms of dignity and territory," he said.

He added that the Philippines "must show its indignation to the Chinese Ambassador because he has been lying all the time to us."

He said getting the Chinese to convert these structures into non-military installations "is the biggest security challenge ever faced by the Philippines since World War II."

Haggling

While Golez raged over the new structures, Manila and Beijing were still haggling over when to start discussions on the old structures set up by China in the disputed reef. China wants further postponements in the talks.

Beijing is proposing to hold the experts group meeting on confidence building measures (CBM) on the first week of March, while Manila is insistent that the discussions should be held not later than last week of February. The talks were earlier scheduled for this month.

With the differences over the proposed dates, it is even possible that the discussions would be delayed until April.

Foreign Secretary Domingo Siazon said the CBM talks, supposedly the first step towards the resolution of conflicting territorial claims, cannot be held in March because of the scheduled meetings of the Association of Southeast Asian Nations (Asean).

The 14 Asean meetings, ranging from the technical to the senior officials level, have been set for March--the busiest month in the grouping's calendar.

"Magco-conflict kung i-schedule natin nuon," Siazon told reporters yesterday. [We'll have conflicts if we follow the proposal.]

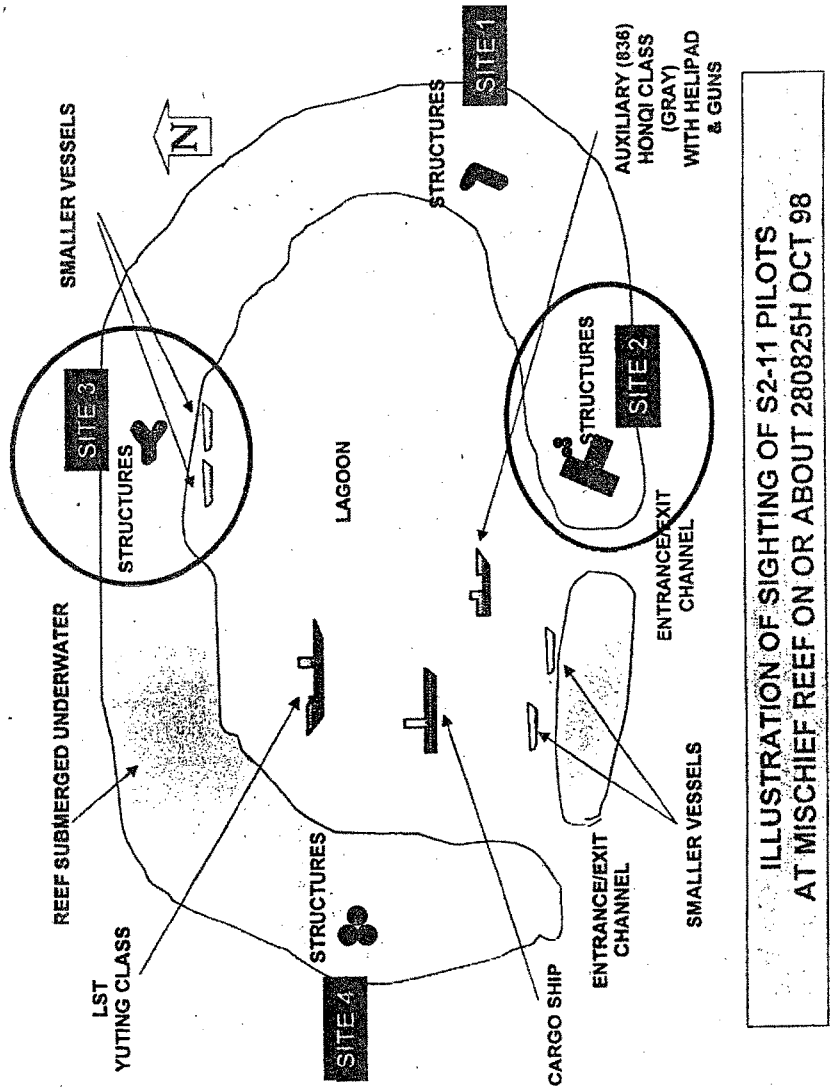


ILLUSTRATION OF SIGHTING OF S2-11 PILOTS
AT MISCHIEF REEF ON OR ABOUT 280825H OCT 98

ATTACHMENT #3

Photos of Other Chinese Fortifications in the Spratlys

Name: Fiery Cross Reef

(First permanent base)

Location: 345 nautical miles west of Palawan

Fortifications:

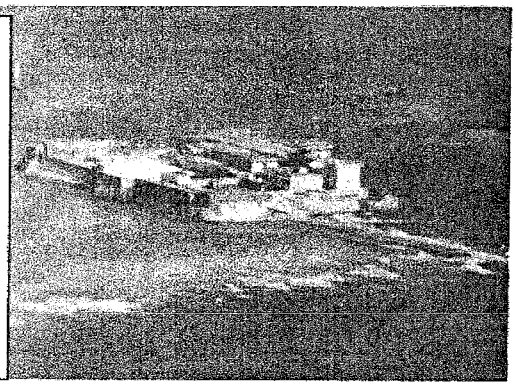
5 Anti-aircraft/naval guns;

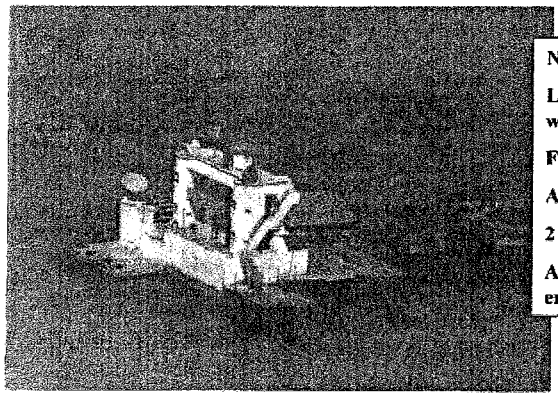
1 300-meter pier;

1 Helipad;

Air raid shelter;

Satellite discs.





Name: Johnson South Reef

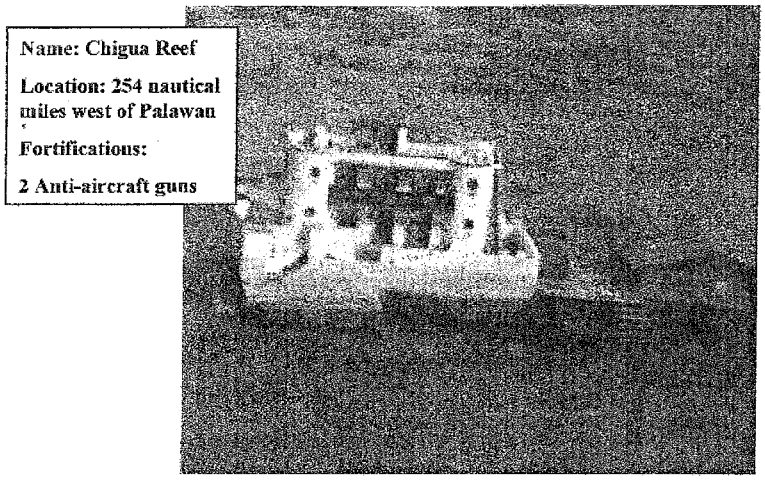
Location: 270 nautical miles west of Palawan

Fortifications:

AA Gun;

2 Naval guns;

Anti-aircraft gun emplacements.

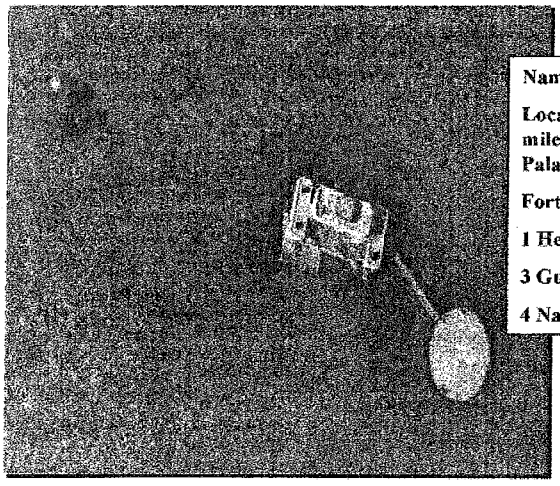


Name: Chigua Reef

Location: 254 nautical miles west of Palawan

Fortifications:

2 Anti-aircraft guns



Name: Subi Reef

Location: 318 nautical miles northwest of Palawan

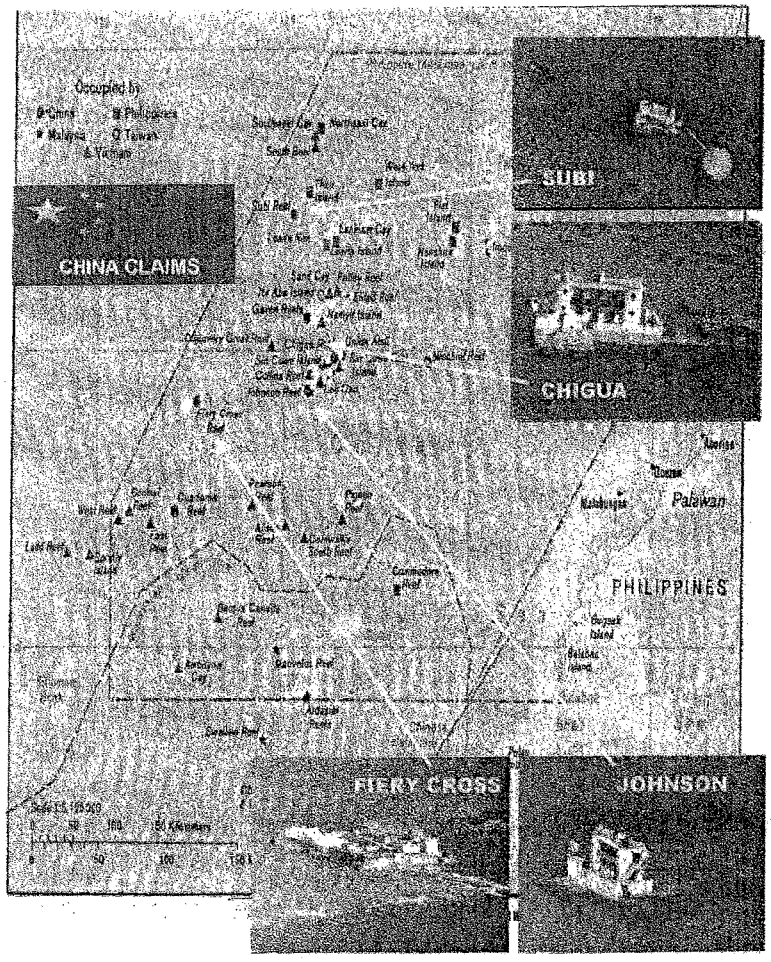
Fortifications:

1 Helipad

3 Gun emplacements

4 Naval guns

PLA airbase & radar (satellite photo)
WOODY ISLAND, in PARACELS ISLANDS


Occupied by:
China
Philippines
Malaysia
Taiwan
Vietnam
CHINA CLAIMS
SUBI
CHIGUA
Palawan
PHILIPPINES
FIERY CROSS
JOHNSON

(4)

US wants more Vietnamese help on war missing
By David Brunnstrom

2000

HANOI, Aug 9 (Reuters) - The United States would like Vietnam to do more ``unilateral work'' to account for US servicemen still listed as missing from the Vietnam War, the senior US official for war missing said on Wednesday.

Robert Jones, deputy assistant secretary of state for prisoner of war/missing personnel affairs, said Vietnamese officials had expressed to him their commitment to the task of accounting for US missing.

Asked what the United States wanted to see more of, he replied: ``As we seek ways to be more efficient, we are looking at ways that the Vietnamese can do more unilateral work in terms of recovery operations.''

He said this particularly applied to cases in which soldiers were last known by their comrades to have been alive.

Jones said these were ``cases where during the war Americans were known to be on the ground in close proximity to the enemy, but we don't know what happened to them.''

They also included ``discrepancy cases'' in which individuals were known to have been captured but never returned to the United States.

``We have determined the fate of many of those and we have recovered the remains of several,'' Jones said. ``But there still remains a lot of work to be done in that area.''

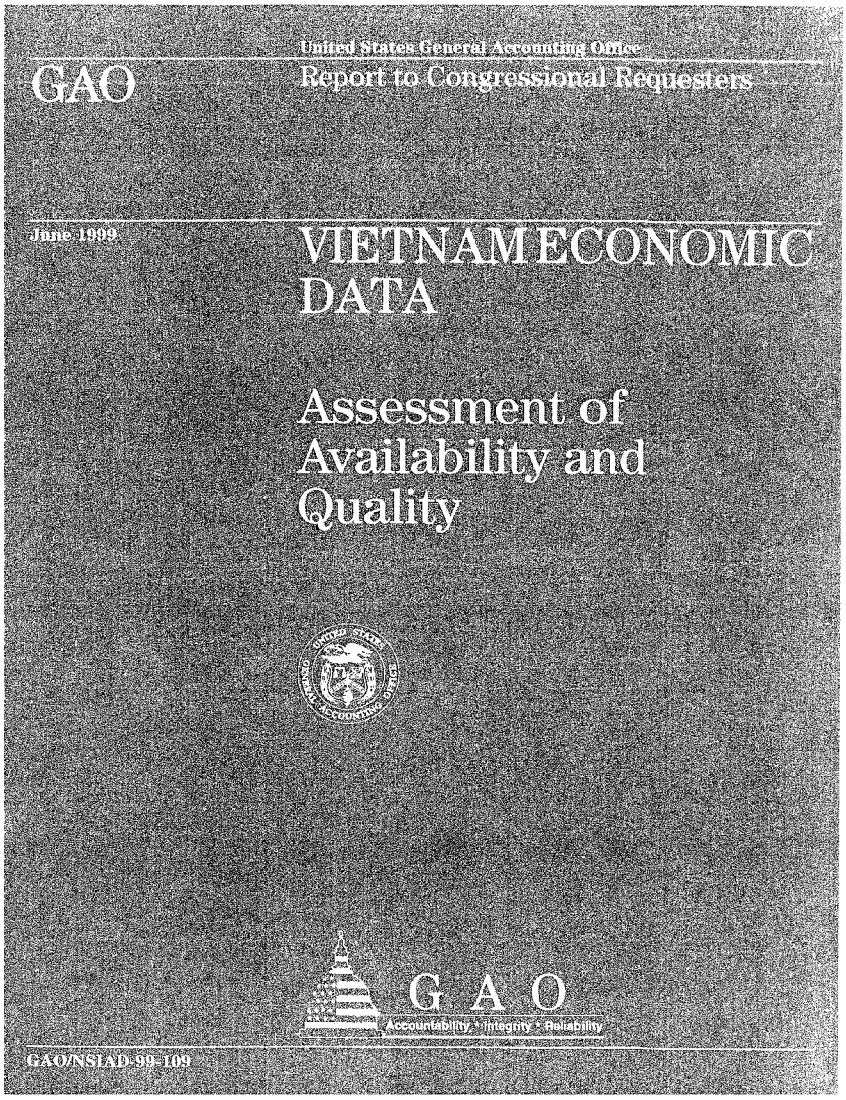
He said Washington remained committed to a full accounting for its missing in the war that ended in 1975 and this position would not alter with the upcoming US administration change.

``Though the efforts may change, we will continue to seek missing Americans until all of them are accounted for,'' he said.

A total of 1,514 Americans remain unaccounted for from the Vietnam War and Jones' office says it is actively pursuing 916 of these cases.

His trip to Vietnam follows one in March by William Cohen, the first US defense secretary to visit since the end of the Vietnam War in 1975.

Jones said none of the 21,000 ``live sightings'' of missing Americans since 1973 had led to recovery of a live serviceman, but investigation of such reports remained the highest priority for the United States.


United States General Accounting Office
GAO
Report to Congressional Requesters
June 1999
VIETNAM ECONOMIC DATA
Assessment of Availability and Quality
GAO
Accountability * Integrity * Reliability
GAO/NSIAD-99-109

GAO
Accountability * Integrity * Reliability

United States General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-279772

June 1, 1999

The Honorable Dana Rohrabacher
The Honorable Zoe Lofgren
House of Representatives

The recent financial crisis in East Asia and the overall importance of the region to the United States has highlighted the need for reliable and timely economic and trade data on individual countries in the region. In recent years, the United States has taken several steps to normalize relations with Vietnam and is currently negotiating a long-term trade agreement with its government. You asked us to examine economic data on Vietnam, which has been experiencing considerable economic growth and development as it transitions from a centrally planned to a more market-based economy. To respond to your requests, we examined the availability, transparency, and quality of published economic and trade data on Vietnam.

Results in Brief

Vietnam has released data on a number of key economic indicators such as the gross domestic product (GDP), imports and exports, foreign investments, and growth rates. However, it has not made available some other important data on the economy. For example, it does not publish the state budget and does not provide standard financial information used by the International Monetary Fund (IMF) for its monthly International Financial Statistics (IFS) publication. Virtually all countries in the world, including transitional economies and the poorest countries, publish their country pages in the IFS.

When data is available, it is highly aggregated and difficult to interpret because the data collection, analysis, and reporting methods used to produce it are not transparent or readily available to users. While the quality of the data has improved in recent years, published indicators such as GDP contain weaknesses because they do not include important components of the economy. For example, small businesses, the service sector, and remittances from overseas are underreported, while growth and foreign investment estimates may be overestimated. Without more accurate data, it is difficult to effectively evaluate economic conditions in Vietnam and identify economic and financial problems that may be occurring. Several international agencies, such as the IMF and the World

Bank, have recognized that data deficiencies exist and are currently providing technical and financial assistance to the Vietnamese government to help it improve the availability and quality of its data.

Background

Data on Vietnam's economy and trade originates primarily from the General Statistical Office (GSO), a Vietnamese government agency. Other agencies such as the Ministry of Industry and the State Bank of Vietnam also provide some data. The GSO publishes monthly and annual reports on the economy and population that include information on the labor force, GDP, foreign investment, industrial sectors, retail sales, prices, and inflation rates, among others.

The IMF, the World Bank, and the United Nations also publish economic and trade data on Vietnam, but as a standard practice they rely primarily on the government for much of the information. The IMF has a permanent representative in Vietnam who monitors economic conditions, and the Fund periodically sends missions to Vietnam to collect additional information and provide technical assistance. As it does with most other countries, the IMF summarizes Vietnam's economic and financial condition in periodic staff reports that are available to the public and generates confidential studies that examine specific topics such as banking.

For its part, the World Bank publishes the World Development Indicators (WDI) in collaboration with 26 other public and private agencies, including the IMF, the International Labour Organization, the United Nations, the World Trade Organization, Moody's Investors Service, Price Waterhouse, and Standard and Poor's Rating Services. The 1998 WDI includes a broad range of economic, population, and environmental data on 210 countries from 1960 to 1996. The United Nations publishes National Accounts Statistics on different countries, including Vietnam, each year. The United Nations Development Programme (UNDP) also issues a number of reports and evaluations of poverty and economic conditions in Vietnam. There are other publications with a narrower focus, such as the IMF's Direction of Trade Statistics Yearbook and the United Nations' Monthly Bulletin of Statistics.

U.S. agencies such as the Departments of Treasury, Commerce, and State and the Trade and Development Agency rely mainly on international agencies for data on Vietnam's economy. However, several U.S. federal agencies jointly publish an annual report on Vietnam, the Country Commercial Guide, written by an in-country expert. The Department of

Commerce also releases data on bilateral trade between the United States and its trading partners, including Vietnam. The United Nations publishes similar bilateral trade data reported by member states.

Several economic magazines and journals also provide economic and trade data on Vietnam. The Vietnam Business Journal, for example, publishes indicators of Vietnam's economy, foreign investment, imports, and exports, using the government and international agencies as its sources. The Economist Intelligence Unit Ltd., also issues quarterly reports on the Vietnamese economy and covers major economic and trade indicators. It pools data from various sources, including its own estimates.

Gaps in Availability of Data

Although the government does publish many key economic indicators, there are major gaps. For example, by law, Vietnam's state budget is classified as a secret document and therefore cannot be made available to the public. Under much pressure from international agencies and donors, in 1998 top government officials indicated they would release the budget, but as of March 1999, they had not yet done so. The government includes some estimates of the budget in its aggregate economic indicators, but it does not provide a breakdown of the data, making it difficult to determine specific allocations. In addition, although the GSO did publish aggregate budget figures in its 1994 Statistical Yearbook, it did not do so in 1996.

State-owned enterprises (SOE) are a key component of the budget and of the country's overall economy. The government has traditionally granted SOEs special advantages over other businesses through greater access to credit, control over markets, and other forms of indirect support. The IMF has reported that SOEs may account for as much as 40 percent of Vietnam's GDP. However, the government releases very little information about how much it spends to support SOEs and their true financial conditions. Some donors have raised concerns about the financial viability of SOEs in Vietnam and have warned that without reliable information, financial problems may develop undetected.

Furthermore, the IMF's monthly IFS reports do not contain a country page for Vietnam because the government has not released certain key indicators and other needed statistics. Country pages generally include data on exchange rates, money, banking, interest rates, production, prices, foreign reserves, international trade, balance of payments, and government and national accounts. Virtually all countries in the world publish their country pages in the IFS. According to IMF officials, the Vietnamese

government has not done so in part because for many years Vietnam used a national accounts system modeled after that of the former Soviet Union and different from international reporting standards (the 1993 System of National Accounts) advocated by the IMF, the United Nations, and the World Bank. Vietnam adopted these standards in the late 1980s but has not fully implemented the system and has not been willing to release some statistics.

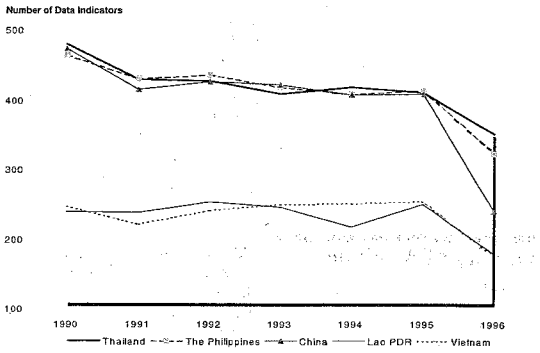
In 1998, the IMF said it was waiting for the government to approve publication of Vietnam's country page that the IMF had prepared. Neighboring Cambodia and Lao PDR, both of which have also transitioned from the Soviet accounting system, have published their country pages since April 1996. Rwanda and Ethiopia, which had the lowest per capita incomes in the world[1] (about a third of Vietnam's), have also been publishing their country pages.

The amount of information reported in the WDI provides another indication of a country's overall data availability. The WDI contains up to 526 series of data indicators for individual countries, covering economic and trade conditions as well as other demographic, environmental, and social indicators. Vietnam and Lao PDR, for example, provided data for only about 250 indicators between 1990 and 1995, while China, the Philippines, and Thailand provided over 400 indicators during the same period (fig. 1). In 1995, the median number of indicators available for the 63 countries that the WDI classified as "low income" was 322. Vietnam provided 256 indicators for that year. Only 10 of the other low-income countries provided fewer indicators than Vietnam.[2]

[1]Human Development Report, UNDP, 1997.

[2]Afghanistan, Bosnia-Herzegovina, Cambodia, Eritrea, Lao PDR, Liberia, Myanmar, Somalia, the Sudan, and Tajikstan.

Figure 1: Available Data in the World Bank's World Development Indicators, 1998.



Note: All four comparison countries are in the immediate vicinity of Vietnam. Thailand, the Philippines, and Vietnam are similar in population size. China, Lao PDR and Vietnam have changed from the Soviet to the System of National Accounts accounting system.

Transparency of Data Collection and Reporting Methods

If the accuracy and quality of published economic and trade data are to be properly assessed, the methods used by the sources of the data to collect, analyze, and present the data must be transparent. In other words, data transparency means that methods should be clearly defined and explained and made readily available to data users. Without such information, users cannot adequately determine the value and meaning of the published figures. For example, data can be very different depending on whether it is developed through expert opinion, sampling, or census. If an agency relies on other agencies for data, it is also important that it disclose the sources and methods it uses to review and revise the data.

In the case of Vietnam, information on data collection and reporting methods generally is either missing or unclear. The GSO does not publish the methods used to collect and process economic and financial figures and does not identify potential data limitations or gaps. International

agencies that re-publish the GSO's figures in their reports also do not disclose the methods they use to evaluate or revise the data. This process is consistent with how these agencies report data for other countries. Most tables we reviewed cited their sources as the GSO or another Vietnamese agency and "staff estimates." But the methods used to produce these staff estimates were not specified. We also found that even when staff estimates were cited, the published data often did not differ from the original GSO figure. However, the IMF recently reported estimates that differed from those published by the GSO.

The Country Commercial Guide primarily cited "unofficial estimates" as its sources, without reporting the data collection methods used, but its figures matched those we found in GSO publications.

Quality of Available Data

Although many of the published figures from the GSO, IMF, the World Bank, and the Asian Development Bank corresponded with each other, one should not interpret this to mean that they are valid or correct, but simply that they came from the same source—the Vietnamese government (see app. I).

According to international agency officials and other experts, the quality of available data on Vietnam has improved in recent years. They all agreed, however, that data on many key indicators such as GDP, growth rate, and foreign investments still contained several weaknesses. In a June 1998 assessment of economic conditions in Vietnam, the UNDP concluded that Vietnam "is in the midst of an *information crisis* which needs to be urgently redressed to avert financial crisis"[3] and advocated more reliable data on the banking and corporate sectors in particular. Most banks are partially or wholly state–owned, and information on their debt levels, loan portfolios, and investments is not available in sufficient detail or is of questionable reliability. Some international agency officials, for example, have raised concerns that these banks have made many large loans to SOEs whose assets are largely overstated. The IMF has indicated that the banking sector in Vietnam is in worse condition than what the official data shows. Moody's has also cited weaknesses with the banking system and "considerable uncertainty [arising] from the lack of transparency in the reporting of

[3]East Asia: From Miracle to Crisis, Lessons for Viet Nam, UNDP Viet Nam, 1998. Italics in the original.

official foreign exchange reserves" as key factors in giving Vietnam a low-credit rating.[4]

Vietnam does not effectively measure certain components of the economy in its calculations of GDP, which is a measure of the total output of a country's goods and services. For example, GDP figures do not accurately reflect the large informal economy, small businesses, telecommunications, or the service sector. Similarly, official trade estimates do not include illegal smuggling of consumer goods, which has been estimated to account for a significant portion of the economy, according to IMF and other international agency officials. A State Department official also noted that this reporting problem occurs in other developing countries.

Other indicators reported by the government, on the other hand, may be overestimated. For example, the government announced that the economy grew at a rate of 5.8 percent in 1998, but IMF officials made their own in-country assessment and estimated a growth rate of between 3 and 4 percent. The government also reported $1.9 billion in disbursements of foreign direct investments in 1998, but the IMF estimated only $600 million, and Moody's estimated $800 million. According to a State Department official, Vietnam counts the value of land it contributes to joint business ventures as part of a foreign direct investment. The IMF does not. This may account for part of the discrepancy between official and independent estimates. It also illustrates the importance of transparency in data collection and reporting methods.

There are also a number of unexplained differences between reports published by different international agencies and even between those published by the same agency. One example is the average employment (the average number of employees per enterprise) in the private sector, an important component of Vietnam's economy in terms of growth and development. According to the 1996 IMF staff report, average employment between 1992 and 1995 was between 7.4 and 5.1 employees. In another IMF staff report 16 months later, the average employment for the same period was reported as between 1.8 and 1.2 employees. It is not clear why a 1992 figure was revised in 1998, but agency officials noted that there are often long delays and frequent adjustments of prior data by Vietnamese government sources. The data series cited its sources as the GSO and staff estimates.

[4]Global Credit Research: Vietnam, Moody's Investors Service, 1999.

International agencies have various efforts underway to help Vietnam with its data collection and reporting. The Asian Development Bank is developing a project to assist Vietnam in preparing its state budget and calculating GDP. The IMF has also been helping Vietnam develop its IFS country page. This aid has included providing preliminary analytical tables necessary for completing the country page in accordance with IMF methodology. Other ongoing assistance is geared mainly toward the collection of social and demographic data. Further monitoring will be needed to determine whether these efforts are effective in improving the quality of data.

In the late 1990s, the IMF developed and issued two sets of standards for data production and dissemination by its member states. The key objectives of one set of standards (known as the General Data Dissemination System) are to improve data quality; provide a framework for evaluating needs and setting priorities for data improvement; and guide countries in the provision of comprehensive, timely, accessible, and reliable economic, financial, and sociodemographic statistics. A more detailed set of standards (the Special Data Dissemination Standard) focuses on specific elements of data quality. A number of countries in East Asia, including the Philippines and Thailand, have voluntarily subscribed to the Special Data Dissemination Standard, but Vietnam and none of the poorest developing countries receiving loans from the World Bank's International Development Agency have subscribed to this standard.

Agency Comments and Our Evaluation

We sent a draft of this report to the Departments of Treasury and State and to the Central Intelligence Agency (CIA). Treasury and the CIA indicated that they had no comments. The Department of State provided oral comments. Generally, State concurred with our overall findings and conclusions. It also provided some technical comments, which we incorporated where appropriate.

Scope and Methodology

To assess the availability, transparency, and quality of published economic and trade data on Vietnam, we met with officials from a number of U.S. and international agencies, including the Departments of Commerce, State, and the Treasury, the Trade and Development Agency, the CIA, the IMF, the World Bank, the United Nations Statistics Division, and the UNDP. We conducted a literature search and contacted researchers in the field. In

addition, we contacted the Embassy of Vietnam in Washington, D.C., and the U.S. Embassy in Hanoi.

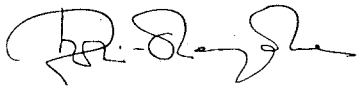
We requested information on the methods agencies use to evaluate data and on the strengths and limitations of the data. We also compared data from different sources and from different time periods, concentrating on 1992, 1994, and 1996. Although we did not conduct a systematic comparison of Vietnam's data with that of other countries, we did make some comparisons with readily available data in the WDI.

We did not travel to Vietnam, although we did meet with a Vietnamese embassy counselor in Washington, D.C. We limited the documentation for this report to nonclassified information. In addition, we did not address perspectives from the business community regarding the availability and quality of Vietnam's economic data.

We performed our review from March 1998 to March 1999 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Honorable Madeleine K. Albright, Secretary of State; the Honorable Robert E. Rubin, Secretary of Treasury; the Honorable William M. Daley, Secretary of Commerce; and appropriate congressional committees. Copies will also be made available to others upon request.

Please contact me at (202) 512-3092 if you or your staff have any questions or would like additional information. Major contributors to this report were John Oppenheim, Lê Xuân Hy, and Stan Kostyla.



Kwai-Cheung Chan
Director, Special Studies and Evaluations

Appendix I

Selected Economic Statistics on Vietnam

GDP, revenue, and expenditures in billions of Vietnamese dong Exports and imports in millions of dollars.

	General Statistical Office 1996[a]	General Statistical Office 1994[b]	International Monetary Fund 1998[c]	International Monetary Fund 1996[d]	International Monetary Fund 1997[e]	United Nations 1998[f]	World Bank 1998[g]	Asian Development Bank 1998[h]	Department Commerce of 1998[i]
1992									
GDP nominal (current)	110,535	110,535	110,535	110,535			110,535		
GDP real (constant)	33,991	33,991	33,987	33,991			33,991		
Government revenue[m]		21,023	21,000	21,023			j		
Government expenditure		23,711	25,800	25,121			j		
Total imports, c.i.f.[n]	2,540	2,541	2,817	2,817	3,027	2,541	2,946		
Total exports, f.o.b.[o]	2,581	2,581	2,475	2,475	2,918	2,581	k		
1994									
GDP nominal (current)	170,258	170,258	170,258	170,258			170,258	170,258	
GDP real (constant)	39,932	39,982	39,982	39,980			39,982	39,982	
Government revenue[m]			42,100	41,440			j	38,299	
Government expenditure			46,600	46,121			j	33,355	
Total imports, c.i.f.[n]	5,826		5,827	5,827	5,826	5,826	6,514	5,826	
Total exports, f.o.b.[o]	4,054		4,054	4,054	4,054	4,054	k	4,054	
1996									
GDP nominal (current)	258,609		258,609				258,609	258,609	
GDP real (constant)	47,888		47,888				47,888		
Government revenue[m]			60,900	62,000[p]			j	59,960	
Government expenditure			63,900	66,417[p]			j	45,800	

	General Statistical Office 1996[a]	General Statistical Office 1994[b]	International Monetary Fund 1998[c]	International Monetary Fund 1996[d]	International Monetary Fund 1997[e]	United Nations 1998[f]	World Bank 1998[g]	Asian Development Bank 1998[h]	Department Commerce of 1998[i]
Total imports, c.i.f.[n]	11,144[l]		11,644		13,668	11,144	12,870	11,144	11,000
Total exports, f.o.b.[o]	7,256[l]		7,337		6,933	7,256	[k]	7,255	7,000

[a]Statistical Yearbook 1996.

[b]Statistical Yearbook 1994.

[c]Staff country report 98/30, April 1998.

[d]Staff country report 96/145, December 1996.

[e]Direction of Trade Statistics 1997.

[f]Department of Economic and Social Affairs, Statistics Division, Monthly Bulletin of Statistics, July 1998.

[g]World Development Indicators 1998.

[h]From http://internotes.asiandevbank.org/notes/vie/VIEOTH.htm.

[i]1998 Country Commercial Guide, U.S. embassy, Hanoi.

[j]Reported as missing.

[k]Reported as c.i.f.

[l]Estimated.

[m]Including grants.

[n]c.i.f.: cost, insurance, freight, that is, at the importer's custom frontier

[o]f.o.b.: free on board, that is, at the exporter's customs frontier.

[p]Budgeted.